



26th Session

SELECTED DECISIONS



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INTERNATIONAL SEABED AUTHORITY

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Annual report of the Secretary-General under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

Report of the Secretary-General of the International Seabed Authority under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

I. Introduction

1. The present report is submitted to the Assembly of the International Seabed Authority pursuant to article 166, paragraph 4, of the United Nations Convention on the Law of the Sea of 1982.

2. For the first time in 25 years, the report of the Secretary-General is presented in a completely new format. The report provides information on the status of the Convention and related legal instruments, the status of contributions to the budget of the Authority and the status of the Area. It also contains a summary of the outcomes of the previous session of the Authority and a review of the status of implementation of the strategic plan of the Authority for the five-year period 2019–2023, its related performance indicators and the status of the high-level actions assigned to the secretariat and the related outputs under the high-level action plan adopted by the Assembly in 2019.

3. In addition, a fully illustrated and separate report, entitled “Achieving the sustainable use of deep-sea minerals for the benefit of humankind”, has been issued.¹ It documents all the activities carried out by the Authority between July 2019 and May 2020 and should be read in conjunction with the present report.

II. Membership of the Authority

4. All States parties to the Convention are ipso facto members of the Authority. As at 31 May 2020, there were 168 parties to the Convention (167 States and the

* ISBA/26/A/L.1.

¹ Available at https://isa.org.jm/files/files/documents/ISA_Annual_Report_2020_ENG_0.pdf.



European Union) and thus 168 members of the Authority. There were no new ratifications or accessions to the Convention during the reporting period.

5. As at the same date, there were 150 parties to the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (149 States and the European Union). There were therefore still 18 members of the Authority that had become parties to the Convention before the adoption of the Agreement and that had yet to become parties to it, namely, Bahrain, Bosnia and Herzegovina, the Comoros, the Democratic Republic of the Congo, Djibouti, Dominica, Egypt, the Gambia, Guinea-Bissau, Iraq, Mali, the Marshall Islands, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Somalia and the Sudan.

6. As provided under General Assembly resolution [48/263](#) and the 1994 Agreement itself, the provisions of the Agreement and of part XI of the Convention are to be interpreted and applied together as a single instrument. The provisions of the Agreement shall prevail in the event of any inconsistency between the two. Although members of the Convention that are not parties to the Agreement necessarily participate in the work of the Authority, becoming a party to the Agreement would remove any potential conflict, and they are strongly encouraged to become parties at the earliest opportunity. Each year, the Secretary-General writes to the States concerned urging them to become party to the Agreement, and he did so again on 18 March 2020.

III. The Area

7. The Area is defined in the Convention as the seabed and ocean floor and subsoil thereof beyond the limits of national jurisdiction. Establishing the exact geographical limits of the Area thus depends on the delineation of the limits of national jurisdiction, including the delineation of the continental shelf extending beyond 200 nautical miles from the baseline of the territorial sea. Pursuant to article 84, paragraph 2, of the Convention, coastal States are obliged to give due publicity to charts or lists of geographical coordinates and, in the case of those showing the outer limit lines of the continental shelf, to deposit a copy of each such chart or list with the Secretary-General of the Authority.

8. As at 31 May 2020, 10 members of the Authority had deposited such charts and lists with the Secretary-General, namely, Australia, Bahrain, France (with respect to Guadeloupe, Guyana, the Kerguelen islands, Martinique and New Caledonia), Ireland, Mauritius, Mexico, Niue, Pakistan, the Philippines and Tuvalu.

9. An obvious difficulty for the Authority and its members is that, until the precise delineation of all areas of continental shelf up to and beyond 200 nautical miles is known, the geographical limits of the Area cannot be established with any certainty. The Secretary-General therefore urges all coastal States to deposit such charts or lists of coordinates as soon as possible after the establishment of the outer limit lines of their continental shelf, up to and beyond 200 nautical miles, in accordance with the relevant provisions of the Convention. The secretariat sent out a note verbale on 16 March 2020 requesting the deposit of such charts or lists of coordinates.

IV. Protocol on the Privileges and Immunities of the International Seabed Authority

10. The Protocol on the Privileges and Immunities of the International Seabed Authority was adopted by the Assembly on 27 March 1998 and entered into force on

31 May 2003. There are 47 parties to the Protocol: Albania, Antigua and Barbuda, Argentina, Austria, Brazil, Bulgaria, Burkina Faso, Cameroon, Chile, Croatia, Cuba, Czechia, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Ghana, Guinea, Guyana, India, Iraq, Ireland, Italy, Jamaica, Jordan, Lithuania, Mauritius, Mozambique, Netherlands, Nigeria, Norway, Oman, Panama, Poland, Portugal, Romania, Senegal, Slovakia, Slovenia, Spain, Togo, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland and Uruguay. A further 11 States have signed the Protocol but have yet to ratify it: Bahamas, Côte d'Ivoire, Greece, Indonesia, Kenya, Malta, Namibia, North Macedonia, Pakistan, Saudi Arabia and Sudan.

11. The Protocol, among other things, provides essential protection to representatives of members of the Authority who attend meetings of the Authority or who travel to and from those meetings. It also accords to experts on missions for the Authority such privileges and immunities as are necessary for the independent exercise of their functions during the period of their missions and the time spent on journeys in connection with their missions.

12. Members of the Authority that are not yet parties are strongly encouraged to take the steps necessary to become parties to the Protocol at their earliest convenience. The secretariat sent out a note verbale to that effect on 16 March 2020.

V. Budget and status of contributions

13. At its twenty-fourth session, in July 2018, the Assembly approved the budget for the financial period 2019–2020 in the amount of \$18,235,850 (see [ISBA/24/A/11](#)).

14. In accordance with the Convention and the 1994 Agreement, the administrative expenses of the Authority are to be met by assessed contributions of its members until the Authority has sufficient funds from other sources to meet those expenses. The scale of assessments is based upon the scale used for the regular budget of the United Nations, adjusted for differences in membership. As at 31 May 2020, 71 per cent of the value of contributions to the 2020 budget due from member States and the European Union had been received. Only 57 per cent of the membership of the Authority had paid their assessed contributions for 2020 in full.

15. As at 31 May 2020, outstanding contributions from member States for the previous financial periods (1998–2020) amounted to \$1,103,105. Notices on the arrears are sent on a regular basis to the member States concerned. In accordance with article 184 of the Convention and rule 80 of the rules of procedure of the Assembly, a member of the Authority that is in arrears in the payment of its financial contributions shall have no vote if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. As at 31 May 2020, the following 57 members of the Authority had been in arrears for two years or more: Albania, Angola, Belize, Benin, Bolivia (Plurinational State of), Brazil, Burkina Faso, Cabo Verde, Cameroon, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Ecuador, Egypt, Equatorial Guinea, Eswatini, Gabon, Gambia, Guinea, Guinea-Bissau, Honduras, Jordan, Kenya, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Malawi, Malaysia, Mali, Marshall Islands, Mauritania, Mongolia, Mozambique, Namibia, Niger, North Macedonia, Papua New Guinea, Saint Vincent and the Grenadines, Sao Tome and Principe, Saudi Arabia, Seychelles, Sierra Leone, Somalia, State of Palestine, Sudan, Suriname, Timor-Leste, Tonga, Tunisia, Uganda, Vanuatu, Yemen, Zambia and Zimbabwe.

16. As at 31 May 2020, the balance of the working capital fund stood at \$655,556, against an approved level of \$660,000.

17. Each contractor is required to pay an annual overhead charge for the supervision and administration of contracts for exploration. The charge is payable at the time of submission of the annual report (31 March each year). For the financial year ending 31 May 2020, 29 annual reports were due for submission, for a total revenue in terms of overhead charges of \$1,839,000. As at 31 May 2020, \$1,552,000 had been paid, while \$287,000 remained outstanding from four contractors.

VI. Previous sessions of the Authority

A. Twenty-fifth session of the Authority

18. The twenty-fifth session of the Assembly was held in Kingston from 22 to 26 July 2019. A total of eight meetings were held (179th to 187th meetings), including a commemorative meeting held on 25 July to celebrate the twenty-fifth anniversary of the Authority. The Minister for Foreign Affairs and Foreign Trade of Jamaica, Kamina Johnson Smith, was elected President of the Assembly for the twenty-fifth session.

19. During that session, the Assembly considered the annual report of the Secretary-General ([ISBA/25/A/2](#)), adopted a decision to approve the guidelines for observer status of non-governmental organizations with the Authority ([ISBA/25/A/16](#)) and adopted the high-level action plan and performance indicators (see [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#)). Furthermore, the Assembly adopted a decision relating to financial and budgetary matters ([ISBA/25/A/14](#)), endorsed the text of the memorandum of understanding to establish a joint training and research centre with the Ministry of Natural Resources of China ([ISBA/25/A/4](#)) and authorized the Secretary-General to sign that memorandum.

20. The twenty-fifth session of the Council was held in two parts: from 25 February to 1 March 2019 and from 15 to 19 July 2019. The Council elected Lumka Yengeni (South Africa) as its President. During the first part of the session, the Council continued its consideration in an informal setting of the draft regulations on exploitation of mineral resources in the Area prepared by the Legal and Technical Commission ([ISBA/24/LTC/WP.1/Rev.1](#)) and adopted a decision relating to the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise ([ISBA/25/C/16](#)).

21. During the second part of the session, the Council started to consider a revised draft of the regulations on exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)) prepared by the Commission, alongside a note explaining the changes made to the text as well as a list of areas requiring further consideration ([ISBA/25/C/18](#)). The decision of the Council as regards its next steps with respect to the consideration of the draft regulations is reflected in document [ISBA/25/C/37](#). The Council also considered the reports of the Chair of the Legal and Technical Commission on the work of the Commission during both parts of the twenty-fifth session ([ISBA/25/C/19](#) and [ISBA/25/C/19/Add.1](#)) and adopted a decision relating to those reports ([ISBA/25/C/37](#)). The Council also adopted a decision regarding the extension and renewal of the terms of reference of the Special Representative of the Secretary-General for the Enterprise ([ISBA/25/C/36](#)).

22. Based on the recommendations of the Commission, the Council approved an application of a plan of work for exploration submitted by Beijing Pioneer Hi-Tech Development Corporation, sponsored by the Government of China ([ISBA/25/C/33](#)). The Council also considered two submissions on the election of members of the Commission ([ISBA/25/C/22](#) and [ISBA/25/C/L.2](#)) and decided to defer consideration of the submissions to its following session, in 2020, when they would be taken up as

a matter of priority. The Council also considered the report of the Chair of the open-ended informal working group in respect of the development and negotiation of the financial terms of a contract under article 13, paragraph 1, of annex III to the Convention and section 8 of the annex to the 1994 Agreement on the outcome of the second meeting of that working group (ISBA/25/C/32), which was held on 11 and 12 July 2019, and decided that the informal working group should convene its third meeting in 2020 (ISBA/25/C/17/Add.1, para. 9).

B. First part of the twenty-sixth session of the Council

23. The first part of the twenty-sixth session of the Council took place from 17 to 21 February 2020. Kathy-Ann Brown (Jamaica) presided over the meetings of the Council as acting President. The Council continued its informal consideration of the draft regulations on exploitation (ISBA/25/C/WP.1) and decided to establish three informal working groups responsible for: (a) issues related to the preservation and protection of the marine environment; (b) inspection, compliance and enforcement; and (c) institutional matters. The mandate and working modalities are set out in the annex to the decision concerning working methods to advance discussions on the draft regulations for exploitation of mineral resources in the Area (ISBA/26/C/11). The discussions in each group will be facilitated by individuals designated by regional groups in accordance with the mandates and modalities agreed by the Council.

24. Recognizing the need for a standardized approach, and having considered a proposal for a procedure for the development, approval and review of regional environmental management plans (ISBA/26/C/6), as well as a template with minimum requirements for such plans (ISBA/26/C/7), the Council requested the Commission, in consultation with the Finance Committee, if necessary, to further develop the “Guidance to facilitate the development of regional environmental management plans” prepared by the secretariat (see ISBA/26/C/10).

25. Delegates also addressed the composition and size of the Commission, an issue that had been on the agenda since the previous election of members of the Commission, in 2016. The Council adopted a decision charting a path to enable a final decision to be taken at the second part of its twenty-sixth session, in October 2020, and appointed Vladislav Kurbatskiy (Russian Federation) as a facilitator for that purpose (ISBA/26/C/9).

VII. Participation in the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction

26. The secretariat has participated in the three substantive sessions of the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction. Through its involvement, the secretariat aims to inform participants of the work and mandate of the Authority by such means as statements on thematic issues, side events and notes. The secretariat has also had the opportunity to highlight the importance of ensuring that the work and results of the intergovernmental conference are consistent with the provisions of Convention and do not undermine existing relevant legal instruments and frameworks. In this sense, the secretariat has drawn attention to the

fact that part XI of the Convention and the 1994 Agreement provide a comprehensive regime for the Area, including the need to take the measures necessary to ensure effective protection of the marine environment from harmful effects that may arise from activities in the Area.

27. At the third substantive session (19–30 August 2019), the secretariat made concrete suggestions to the draft text of the agreement with regard to the provision that establishes the relationship of the proposed internationally legally binding agreement with the Convention (art. 4). The secretariat suggested adding a reference to the 1994 Agreement, given its strong interconnection with the Convention. This would help to ensure that the rights and duties of States in relation to the Area and its resources are respected and that the proposed agreement is interpreted and applied in the context of, and in a manner consistent with, the part XI regime.

28. In the light of the importance for members of the Authority of the negotiating process under the intergovernmental conference, it would be useful for the secretariat to receive guidance from the Assembly in terms of the message that the Authority should convey at the fourth session of the conference.

VIII. Report on the implementation of the strategic plan for the Authority for the period 2019–2023

29. Pending the approval of the first plan of work for exploitation, the Authority is to concentrate on the 11 areas of work listed in paragraph 5 of section 1 of the annex to the 1994 Agreement. In the light of the outcome of the first periodic review of the international regime of the Area pursuant to article 154 of the Convention, the Assembly adopted in 2018 the first strategic plan of the Authority, for the period 2019–2023 ([ISBA/24/A/10](#), annex). The strategic plan embodies the vision for the implementation of part XI and other provisions relating to the Area under the Convention and the Agreement. The plan provides direction for the development and implementation of the mandate of the Authority under the Convention and the Agreement, taking into consideration the current and projected workload, resources and capacity, as well as other relevant international agreements, processes, principles and objectives, including the 2030 Agenda for Sustainable Development. The strategic plan was completed by the adoption by the Assembly, at its twenty-fifth session, of the high-level action plan of the Authority for the period 2019–2023 (see decision [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#)). In the same decision, the Assembly also adopted a set of performance indicators to assess the performance of the Authority towards implementing the strategic directions set out in the strategic plan.

A. Assessment against performance indicators for the reporting period 2019–2020

30. As outlined in document [ISBA/25/A/5](#), the strategic plan served as a foundation for the development of the performance indicators in the high-level action plan. Each indicator has therefore been conceived to enable the monitoring and measurement of achievements under the strategic plan throughout its five-year span. The first assessment of all performance indicators for the year 2019 (for consideration by the Assembly in 2020) should therefore form the baseline for monitoring possible improvements against the indicators. The first assessment of performance indicators for 2019 and 2020 (as at 31 May 2020) has been compiled by the secretariat and is annexed to the present report (see annex I. A).

B. Status of completion of high-level actions assigned to the secretariat and related outputs for the reporting period 2019–2020

31. In its decision [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#), the Assembly recalled that it was committed to the strengthening of existing working practices of the Authority and, accordingly, invited members of the Authority and observers, as well as the organs of the Authority, to support the implementation of the strategic plan and the high-level action plan.

32. For the reporting period 2019–2020, the secretariat has been assigned some responsibilities for 65 high-level actions, with 121 related outputs, as listed in annex II to the aforementioned decision. In two cases, no specific output has been identified and, therefore, the reporting specifically addresses the high-level action of interest (see high-level actions 5.2.2 and 9.3.3). Accordingly, the total number of items identified for this reporting is 122. The secretariat is identified as the “organ responsible” for 95 outputs, the “associated organ” for 20 other outputs and the “coordinating organ” for 7 of them.

33. As at 31 May 2020, 70.5 per cent (86) of the assigned high-level actions and the outputs had been completed, while 29 per cent (35) were still in progress and expected to be achieved by the end of the year (see annex I. B). One high-level action (4.5.2) under strategic direction 4 (“Promote and encourage marine scientific research in the Area”) had been put temporarily on hold to allow the Commission to complete its task in relation to this action. All outputs assigned for the reporting period under strategic directions 1 (“Realize the role of the Authority in a global context”) and 7 (“Ensure equitable sharing and financial and other economic benefits”) had been completed. Details of the work undertaken against all outputs have been compiled by the secretariat and are available in annex II.

Annex I

A. Assessment of performance indicators for the reporting period
2019–2020

<i>Performance indicators under each strategic direction</i>	<i>2019</i>	<i>June 2020 (as of June 2020)</i>
Strategic direction 1: realize the role of the Authority in a global context		
1.1 Number of programmes and initiatives overseen by the Authority that contribute to the achievement of relevant goals and targets of the 2030 Agenda for Sustainable Development	4 (voluntary commitments 1, 2, 5 and 6)	4 (voluntary commitments 1, 2, 5 and 6)
1.2 Number of strategic alliances and partnerships established with regional and global organizations to improve cooperation in the conservation and sustainable use of ocean resources	9 (with: United Nations; Asian-African Legal Consultative Organization; International Hydrographic Organization; Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization; International Maritime Organization; OSPAR Commission for the Protection of the Marine Environment of the North-East Atlantic; Pacific Community; World Maritime University; and International Cable Protection Committee)	11 (same + Indian Ocean Rim Association and Sargasso Sea Commission)
1.3 Number of States that have ratified or acceded to the United Nations Convention on the Law of the Sea	168 members (167 States + European Union)	168 members (167 States + European Union)
1.4 Number of States that have ratified the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982	150	150
1.5 Number of States parties that have ratified the Protocol on the Privileges and Immunities of the International Seabed Authority	47	47
1.6 Number of member States of the Authority that have deposited charts or lists of geographical coordinates of points that establish the limits of national jurisdictions, including the delimitation of the continental shelf extending beyond 200 nautical miles from the baselines of the territorial sea, with the Secretary-General	10	10

Strategic direction 2: strengthen the regulatory framework for activities in the Area

2.1	Adoption of rules, regulations and procedures for the conduct of activities in the Area and progress towards the adoption of the associated standards and guidelines necessary for their effective implementation	3 sets of exploration regulations and 5 recommendations for the guidance of contractors and sponsoring States	3 sets of exploration regulations and 5 recommendations for the guidance of contractors and sponsoring States
2.2	Number of sponsoring States that have enacted deep seabed related laws, that govern and administer contractors' activities in the Area	13	13
2.3	Number of technical and targeted workshops, including virtual workshops held through online collaborative tools, convened to support member States in the implementation of the legal regime governing deep seabed activities in the Area	6 (Pretoria workshop on standards and guidelines, Africa Deep Seabed Resources project (Pretoria workshop), Abyssal Initiative project (Kiribati, Nauru and Tonga) and Myanmar workshop)	All activities are on hold owing to the coronavirus disease (COVID-19)
2.4	Number of programmes and initiatives of the Authority that contribute to addressing the specific challenges faced by developing States in implementing effectively relevant international legal instruments governing activities in the Area	2 (Africa Deep Seabed Resources project and Abyssal Initiative project)	4 (same + capacity development workshop and consultations with members for assessment of national priorities)

Strategic direction 3: protect the marine environment

3.1	Development, implementation and review of rules, regulations and procedures based on the best available science, the precautionary approach and best environmental practices for the environmentally responsible management of activities in the Area	5 sets of recommendations for the guidance of contractors and sponsoring States	5 sets of recommendations for the guidance of contractors and sponsoring States
3.2	Number of regional environmental management plans adopted and implemented	1 (regional environmental management plan for the Clarion-Clipperton Fracture Zone)	1 (regional environmental management plan for the Clarion-Clipperton Fracture Zone)
3.3	Number of areas of particular environmental interests established after being identified on the basis of the best available scientific information	9	9
3.4	Availability of environmental information to the general public	All environmental data collected by contractors through DeepData	All environmental data collected by contractors through DeepData

Strategic direction 4: promote and encourage marine scientific research in the Area

4.1	Number of strategic alliances and partnerships that contribute to the promotion and encouragement of marine scientific research in the Area	4 (Deep Ocean Observing Strategy, European Union/ Atlantic regional environmental management plan Project, Commonwealth Scientific and Industrial Research Organization/Australia and Natural History Museum of the United Kingdom of Great Britain and Northern Ireland)	5 (same + Ocean Biodiversity Information System/ Intergovernmental Oceanographic Commission)
4.2	Number of research results and analyses, including from contractors, disseminated through the Authority's database	Not available (analysis for the workshop on a regional environmental management plan for the Clarion-Clipperton Fracture Zone, including using data from DeepData; and analysis for the workshop on a regional environmental management plan for the Northern Mid-Atlantic Ridge, including using data from DeepData)	None
4.3	Number of strategic alliances and partnerships that contribute to enhancing and expanding the sharing of data and information	1 (Ocean Biodiversity Information System/Intergovernmental Oceanographic Commission for sharing biodiversity data)	1 (Ocean Biodiversity Information System/Intergovernmental Oceanographic Commission for sharing biodiversity data)
4.4	Promote marine scientific research directed towards providing the scientific knowledge necessary to ensure the effective protection of the marine environment	DeepData public launch, biosynthesis workshop, Evora workshop and Kiribati workshop	International Seabed Authority marine scientific research action plan in support of the United Nations Decade of Ocean Science for Sustainable Development

Strategic direction 5: build capacity for developing States

5.1	Identification of specific capacity-building needs of developing States by developing States identified	0	1 (consultations with members for the assessment of national priorities)
5.2	Number of qualified scientists and technical personnel from developing States who have participated in the capacity-building programmes of the Authority	272 (Contractor Training Programme: 47; internship programme: 5; Abyssal Initiative project: 150; and Africa Deep Seabed Resources project: 70)	35 (Contractor Training Programme: 31; International Seabed Authority internship programme: 2; and Africa Deep Seabed Resources project: 2) All activities are on hold owing to COVID-19

<i>Performance indicators under each strategic direction</i>	<i>2019</i>	<i>June 2020 (as of June 2020)</i>
5.3 Percentage of capacity-building activities with long term impact for the receiving member States	Not available	Not available
5.4 Number of female qualified personnel from developing States who have participated in the capacity-building programmes of the Authority	98 (Contractor Training Programme: 24; internship programme: 4; Endowment Fund for Marine Scientific Research in the Area: 5; Abyssal Initiative project: 40; and Africa Deep Seabed Resources project: 25)	15 (Contractor Training Programme: 11; internship programme: 2; and Africa Deep Seabed Resources project: 2) All activities are on hold owing to COVID-19
5.5 Number of qualified personnel who have benefited from training funded through the Endowment Fund for Marine Scientific Research in the Area	14	0 (Endowment Fund on hold owing to COVID-19)
5.6 Number of members of the Authority that have contributed to the Endowment Fund for Marine Scientific Research in the Area	2	1
5.7 Number of non-members of the Authority that have contributed to the Endowment Fund for Marine Scientific Research in the Area	0	0

Strategic direction 6: ensure fully integrated participation by developing States

6.1 Number and percentage of developing States members of the Authority attending the meetings of the Authority (by meetings), including landlocked and disadvantaged States, small islands States and least developed States	Assembly: 64 per cent of members attended (29 per cent: least developed countries members of the Authority; 11 per cent landlocked developing countries; and 38 per cent: small island developing States) Council: 92 per cent of members attended (100 per cent attendance by members that are least developed countries, landlocked developing countries or small island developing States)	To be confirmed Council: 92 per cent of members attended (100 per cent attendance by members that are least developed countries, landlocked developing countries or small island developing States)
6.2 Number of members of the Finance Committee and the Legal and Technical Commission from developing States who have benefited from the voluntary trust fund	26	4
6.3 Number of members of the Council from developing States who have benefited from the voluntary trust fund	10	1

<i>Performance indicators under each strategic direction</i>	<i>2019</i>	<i>June 2020 (as of June 2020)</i>
6.4 Amount of total contributions made to the voluntary trust funds (by fund)	Voluntary trust fund (Legal and Technical Commission and Finance Committee): \$52 510 Voluntary trust fund (Council): \$7 502 Voluntary trust fund (Enterprise): \$27 316	Voluntary trust fund (Legal and Technical Commission and Finance Committee): \$34 000 Voluntary trust fund (Enterprise): \$4 500
6.5 Identification of possible approaches to the independent operation of the Enterprise, including procedures and criteria for the establishment of joint ventures	<ul style="list-style-type: none"> • Enterprise study completed • Appointment of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise • Establishment of the voluntary trust fund for the Special Representative 	<ul style="list-style-type: none"> • Legal and Technical Commission made recommendations in respect of the Enterprise study • The contract of the Special Representative was renewed
Strategic direction 7: ensure equitable sharing of financial and other economic benefits		
7.1 Adoption of a mechanism for providing for the equitable sharing of financial and other economic benefits	0	0
Strategic direction 8: improve the organizational performance of the Authority		
8.1 Number of outputs completed by the original target date	185 (over a total of 269, i.e., 69 per cent) Assembly: 37 Council: 32 Secretariat: 86 Legal and Technical Commission: 18 Finance Committee: 12	
8.2 Adoption and implementation of the strategic plan, the high-level action plan and other relevant workplans necessary for the achievement of the Authority's mandate	2 (strategic plan and high-level action plan)	2 (strategic plan and high-level action plan)
8.3 Percentage of assessed contributions received from members (collection rate)	78 per cent	61 per cent
8.4 Percentage of unpaid contributions by members	22 per cent	39 per cent
8.5 Percentage of extrabudgetary contributions to the budget, as well as number of new donors	3 per cent, with 6 new donors	2 per cent, with 5 new donors
8.6 Percentage of contributions provided by top-five donors	Japan 13.029 China 10.661 Germany 8.599 France 6.540 United Kingdom 6.007	Japan 13.029 China 10.661 Germany 8.599 France 6.540 United Kingdom 6.007

Strategic direction 9: commit to transparency

9.1	Number of outreach activities undertaken by the Authority to raise awareness among relevant stakeholders of its mandate and responsibilities for the Area	10 (World Oceans Day; Pretoria workshop; Myanmar workshop; high-level meeting on the United Nations Global Compact; high-level meeting on ocean and climate; second World Maritime University regional conference for the Americas; third Indian Ocean Rim Association Ministerial Blue Economy Conference; World Federation of Science Journalist; sixth "Our Ocean" Conference; and International Seabed Authority International Conference on Legal, Scientific and Economic Aspects of Deep Seabed Mining)	3 (World Oceans Day; Scientific and Technical Advisory Panel to the Global Environment Facility and World Bank workshop; and International Tribunal for the Law of the Sea and Nippon Foundation capacity-building and training programme)
9.2	Number of initiatives launched by the Authority to receive stakeholder inputs	2 (consultations on the draft high-level action plan and consultations on draft regulations)	8 (four surveys designed in preparation for the workshop on capacity development, resources and needs assessment for members, contractors, former trainees and research institutions; consultations on refining assumptions of the financial model; survey for members to assess national priority capacity-development needs; consultations on a draft assessment of capacity-building programmes and initiatives implemented by the Authority; and consultations on a document on the election of members of the Legal and Technical Commission prepared by the facilitator)
9.3	Number of official documents made available to the general public through the website of the Authority	88 Assembly: 28 Council: 43 Legal and Technical Commission: 10 Finance Committee: 7	38 Assembly: 9 Council: 20 Legal and Technical Commission: 4 Finance Committee: 5
9.4	Adoption and implementation of a communications and stakeholder engagement strategy	Not available	0

<i>Performance indicators under each strategic direction</i>	<i>2019</i>	<i>June 2020 (as of June 2020)</i>
9.5 Measures taken by the Authority to make publicly available the non-confidential information contained in contracts and contractors' annual reports, when allowed by national legislation, and related environmental information, including the impact assessments associated with applications for plan of work	2 environmental impact assessments/environmental impact statements in the context of exploration activities from two contractors made publicly available; and ongoing dialogue with contractors towards the transparency of contracts (template agreed at a contractors' meeting and work in progress)	Information on 18 contracts made publicly available 1 environmental impact assessment/environmental impact statement in the context of exploration activities from one contractor made publicly available

B. Status of completion of high-level actions assigned to the secretariat and related outputs for the reporting period 2019–2020

<i>Strategic directions</i>	<i>Number of items relevant to the reporting period</i>	<i>Completed</i>			<i>In progress</i>	<i>On hold</i>	<i>Completion rate (percentage)</i>
		<i>Ongoing</i>	<i>Achieved</i>				
Strategic direction 1: realize the role of the Authority in a global context	14	14	–	–	–	100.0	
Strategic direction 2: strengthen the regulatory framework for activities in the Area	6	4	1	1	–	83.0	
Strategic direction 3: protect the marine environment	13	3	3	7	–	46.0	
Strategic direction 4: promote and encourage marine scientific research in the Area	12	2	1	8	1	25.0	
Strategic direction 5: build capacity for developing States	16	4	6	6	–	62.5	
Strategic direction 6: ensure fully integrated participation by developing States	14	6	5	3	–	78.5	
Strategic direction 7: ensure equitable sharing of financial and other economic benefits	1	–	1	–	–	100.0	
Strategic direction 8: improve the organizational performance of the Authority	25	14	4	7	–	72.0	
Strategic direction 9: commit to transparency	21	15	3	3	–	86.0	
Total	122	62	24	35	1	70.5	

Annex II**Status of implementation by the secretariat of the relevant high-level actions and related outputs for the reporting period 2019–2020**

The status of implementation by the secretariat of the relevant high-level actions and related outputs for the reporting period 2019–2020 is available (in English only) at the following URL: https://isa.org.jm/files/files/documents/ISBA26_A2-AnnexII.pdf



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Agenda item 9

Annual report of the Secretary-General under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

Report of the Secretary-General of the International Seabed Authority under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

I. Introduction

1. The present report is an addendum to and should be read in conjunction with [ISBA/26/A/2](#). The information in the present report is updated as at 31 October 2021.

II. Membership of the Authority

2. There have been no new ratifications or accessions to the United Nations Convention on the Law of the Sea since July 2020.

3. On 25 June 2021, Bosnia and Herzegovina became a party to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982. That means that there are still 17 members of the International Seabed Authority that had become parties to the Convention before the adoption of the Agreement and that had yet to become parties thereto.

4. A total of 29 States, in addition to the European Union, maintain permanent missions to the Authority, namely, Algeria, Antigua and Barbuda, Argentina, Bangladesh, Belgium, Brazil, Cameroon, Chile, China, Costa Rica, Cuba, the Dominican Republic, France, Gabon, Germany, Italy, Jamaica, Japan, Malta, Mexico, Namibia, Nauru, Nigeria, Panama, the Republic of Korea, the Russian Federation, South Africa, Spain and Trinidad and Tobago. Since September 2020, credentials have been presented by the Permanent Representatives of Bangladesh, Chile, the Dominican Republic, Gabon, Italy, Jamaica, Japan, Malta, Namibia, Nigeria, Panama, the Republic of Korea, the Russian Federation, Spain and the European Union.

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.



III. Budget and status of contributions

A. Budget

5. In December 2020, the Assembly adopted the budget of the Authority for the financial period 2021–2022 in the amount of \$19,411,280.¹

B. Status of contributions

6. As at 31 October 2021, 88 per cent of contributions to the budget for 2021 had been received. Contributions outstanding from member States for prior periods (1998–2020) amounted to \$590,332.

7. The following 54 member States were in arrears in the payment of their contributions to the Authority in an amount equal to or exceeding the amount of the contributions due for the preceding two full years: Angola, Argentina, Barbados, Belize, Benin, Bolivia (Plurinational State of), Burkina Faso, Cabo Verde, Cameroon, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Dominica, Equatorial Guinea, Gabon, Gambia, Guatemala, Guinea, Guinea-Bissau, Honduras, Jordan, Lesotho, Liberia, Malawi, Maldives, Mali, Marshall Islands, Mauritania, Mongolia, Montenegro, Namibia, Nepal, Niger, North Macedonia, Oman, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Sao Tome and Principe, Senegal, Seychelles, Somalia, State of Palestine, Sudan, Suriname, Togo, Tunisia, Uganda, United Republic of Tanzania, Yemen, Zambia and Zimbabwe.

8. The balance of the working capital fund stood at \$676,090 against an approved level of \$750,000.

9. Each contractor is required to pay an annual overhead charge for the supervision and administration of contracts for exploration. The charge is payable at the time of submission of the annual report (31 March each year). In 2021, 30 annual reports were due for submission, representing a total revenue in terms of overhead charges of \$1,800,000. All contractors have paid the overhead charge for 2021.

C. Status of the voluntary trust funds

10. The capital of the Endowment Fund for Marine Scientific Research in the Area stood at \$3,563,567, including recent contributions from Mexico (\$10,000) and China (\$20,000). The available fund stands at \$411,962.

11. Regarding the voluntary trust fund to defray the costs of participation of members from developing countries in the meetings of the Legal and Technical Commission and of the Finance Committee, the balance stands at \$118,486, including recent contributions from China (\$40,000), France (\$20,000), the Philippines (\$7,500) and DeepGreen Metals Inc. (\$15,000) and voluntary contributions of \$6,000 each from five contractors in 2021.²

¹ See [ISBA/26/A/5/Add.1/Rev.2-ISBA/26/C/18/Add.1/Rev.2](#) and [ISBA/26/A/19](#).

² During the twenty-fourth session, the Assembly decided, as an interim solution and on a voluntary basis, to add an additional contribution of \$6,000 to the annual overhead charge invoice to the contractors on an opt-out basis. Contributions would be allocated as a contribution to the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission and of the Finance Committee from developing countries in the meetings of the Commission and of the Committee. See [ISBA/24/A/11](#).

12. With regard to the voluntary trust fund to support the participation of members of the Council of the Authority from developing States in the meetings of the Council, the fund had received no new contributions during the reporting period. The total available fund remains at \$20,579.

13. With regard to the voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General for the Enterprise, recent contributions have been received from the Philippines in the amount of \$7,500 and from DeepGreen Metals Inc. in the amount of \$4,500. The available fund stands at \$9,468.

14. With regard to the trust fund for extrabudgetary support for the Authority, contributions with respect to specific projects have been received from the Norwegian Agency for Development Cooperation (\$287,430), France (\$16,045), DeepGreen Metals Inc. (\$40,000), Global Sea Mineral Resources NV (GSR) (\$40,000), UK Seabed Resources Ltd. (\$40,000), Monaco (\$23,512) and the National Marine Biodiversity Institute of the Republic of Korea (\$30,415). The balance of the fund currently stands at \$916,650.

IV. Secretariat

15. In response to the coronavirus disease (COVID-19) outbreak, the Secretary-General issued in March 2020 and subsequently regularly updated administrative guidelines in line with those issued by United Nations Headquarters with a view to reducing exposure to COVID-19 while at the same time continuing to maintain programmatic and operational activities. The guidelines were not renewed and, consequently, are no longer applicable as from July 2021. The Secretary-General also amended the administrative instruction on working hours, overtime, leave and attendance to allow flexible working arrangements for staff members, including remote work.³

16. As a result of the disruptions to and restrictions on international travel, several internationally recruited staff members have been unable to avail themselves of annual leave and home leave entitlements since March 2020, and some have not been able to reunite with their families. While the situation is gradually improving, high levels of stress and burnout need to be recognized, as well as their adverse impact on the operations of the secretariat. As at 31 October 2021, annual leave balances and home leave entitlements remained significantly higher than budgeted, and the situation was likely to continue into 2022, creating unforeseen financial liabilities for the Authority.

17. With a view to enhancing the security of information and data at the secretariat, the Secretary-General revised the bulletin on information sensitivity, classification and handling and the administrative instruction on issuance, retention and disposal of communications and information technology assets.⁴ Given the increased use of consultants and individual contractors, and that of experts for advisory meetings, the relevant administrative instructions were also revised.⁵

18. The training of staff members of the secretariat has been substantively improved. Other than the mandatory training for staff members available through the United Nations Inspira platform, an Education Assistance Programme was developed for General Service staff members and National Professional Officers.⁶ Online

³ See [ISBA/ST/AI/2020/4/Rev.1](#).

⁴ See [ISBA/ST/SGB/2021/2](#) and [ISBA/ST/AI/2021/5](#).

⁵ See [ISBA/ST/AI/2021/1](#) and [ISBA/ST/AI/2021/2](#).

⁶ See [ISBA/ST/AI/2021/4](#).

learning programmes were also made available to all staff members, including on cyber-risk management and effective writing skills.

19. The number of established posts in the secretariat as at 31 October 2021 was 45 (27 Professional, 2 National Professional Officer and 16 General Service), with 5 additional positions supported by extrabudgetary funds and programmes. Since May 2021, the secretariat has processed 13 job openings. A total of 8 out of the 13 vacancies were filled internally. Six staff members were separated from service as a result of resignation, retirement or a return to the releasing organization under secondment. A total of 27 short-term consultants from 11 countries were hired in 2021.

V. Meetings of the organs of the Authority

A. Legal and Technical Commission

20. The first part of the twenty-sixth session of the Legal and Technical Commission was held from 24 February to 6 March 2020. At the meetings, the Commission decided to recommend to the Council a draft annex VI to the draft regulations on exploitation.⁷ The Commission considered and endorsed the process for reviewing the environmental impact statement in relation to the testing of mining components or other activities requiring an environmental impact assessment during exploration, as well as a template for reporting an environmental impact assessment undertaken during exploration.⁸ With a view to assisting contractors in reporting on each five-year programme of activities under the exploration contract, the Commission developed a standardized template for the content of periodic reports.

21. The second part of the twenty-sixth session of the Commission was held virtually from 6 to 31 July 2020. The Commission considered 29 annual reports on the activities carried out by contractors in 2019. It also considered an application for approval of a plan of work for exploration for polymetallic nodules in the Area from Blue Minerals Jamaica Ltd. and made recommendations to the Council.⁹ The Commission took note of a report on the study of the potential impact of polymetallic nodule production from the Area on the economies of developing land-based producers of those metals that were likely to be the most seriously affected, and it made recommendations to the Council.¹⁰

22. In 2021, the Commission resumed virtual meetings for a total of six weeks (five weeks between 22 March and 1 July and one week from 27 to 30 September 2021). It considered seven applications for extension, for a five-year period, of approved plans of work for exploration, and it made recommendations to the Council (see para. 31). The Commission also reviewed 30 annual reports on the activities carried out by contractors in 2020.¹¹ The work of the Commission in relation to the preparation of draft standards and guidelines, the review and development of regional environmental management plans and the implementation of a data management strategy is reflected in section VIII of the present report.

⁷ See [ISBA/26/C/17](#).

⁸ See [ISBA/25/LTC/6/Rev.1](#) and [ISBA/25/LTC/6/Rev.1/Corr.1](#).

⁹ See [ISBA/26/C/22](#). The Council approved the plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd. in December 2020. See [ISBA/26/C/27/Rev.1](#).

¹⁰ See [ISBA/26/C/12/Add.1](#).

¹¹ For further details on the work of the Commission in 2020 and 2021, see [ISBA/26/C/12](#), [ISBA/26/C/12/Add.1](#) and [ISBA/26/C/12/Add.2](#).

B. Finance Committee

23. In 2020, the Finance Committee held two formal meetings and six informal meetings, all in virtual format. The Committee took note of the implementation of the budget for 2019, the status of the working capital fund, the status of contributions and related matters, the audit report on the accounts of the Authority for 2019 and the status of the trust funds of the Authority. The Committee approved the establishment of the Cost Recovery Fund of the Authority. It decided to recommend the approval of the proposed budget of the Authority for the financial period 2021–2022 and also decided to recommend an increase in the annual overhead charge for the administration and supervision of contracts for exploration.¹²

24. In 2021, the Committee held four virtual meetings, on 30 and 31 March, 18 May and 30 June 2021. It took note of the implementation of the budget for the financial period 2019–2020, the audit report on the accounts of the Authority for 2019 and 2020, the updated report on the status of contributions to the budget for the financial period 2021–2022 and the updated report on the status of the trust funds of the Authority. The Committee also discussed a report on costs associated with the use of the Jamaica Conference Centre, a report on the costs of participation by the Authority in the United Nations common system of organizations and a report on future financing of the Authority.¹³ The work of the Committee on the issue of benefit-sharing is reflected in section VIII of the present report.

C. Council

25. The Council was not able to convene in-person meetings as scheduled for the second part of the twenty-sixth session. However, in 2020 and 2021, under silence procedure, it elected Real Admiral (retired) Khurshed Alam (Bangladesh) as President of the Council for the twenty-sixth session, and it adopted a revised agenda.¹⁴ The Council also adopted a decision concerning the candidate for the election of the Secretary-General,¹⁵ approved an application for a plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd.¹⁶ and adopted a decision relating to the budget of the Authority for the financial period 2021–2022, as well as a decision relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts.¹⁷ In addition, the Council adopted a decision to extend the term of office of the current members of the Legal and Technical Commission by one year to 31 December 2022.¹⁸

D. Assembly

26. It is recalled that the President of the Assembly for the twenty-fifth session, the Minister of Foreign Affairs and Foreign Trade of Jamaica, Kamina Johnson Smith, declared in writing the opening of the twenty-sixth session of the Assembly on 5 October 2020. The Assembly then adopted its agenda for the twenty-sixth session under silence procedure.¹⁹ The Permanent Representative of France to the Authority, Denys Wibaux, was elected as President of the Assembly, with the Dominican

¹² See [ISBA/26/A/10-ISBA/26/C/21](#).

¹³ See [ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1](#).

¹⁴ See [ISBA/26/C/1/Rev.1](#).

¹⁵ See [ISBA/26/C/25](#).

¹⁶ See [ISBA/26/C/27/Rev.1](#).

¹⁷ See [ISBA/26/C/26](#) and [ISBA/26/C/28](#).

¹⁸ See [ISBA/26/C/30](#).

¹⁹ See [ISBA/26/A/1](#).

Republic, Nauru, Nigeria and Poland elected as Vice-Presidents. The following members have been appointed as members of the Credentials Committee for the twenty-sixth session of the Assembly: Canada, Chile, Costa Rica, Czechia, Lesotho, Myanmar, South Africa, Spain and Sri Lanka.

27. It is also recalled that, under silence procedure, the Assembly re-elected Michael William Lodge (United Kingdom of Great Britain and Northern Ireland) as Secretary-General of the Authority for a four-year term from 1 January 2021 to 31 December 2024.²⁰ The Assembly also adopted a decision relating to the election to fill the vacancies on the Council of the Authority in accordance with article 161, paragraph 3, of the Convention.²¹ The Assembly adopted a decision relating to the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable Development²² and a decision relating to the implementation of a programmatic approach to capacity development.²³ In addition, the Assembly adopted a decision to name the museum of the Authority in honour of Nii Allotey Odunton²⁴ and a decision concerning the extension of the terms of office of the current members of the Finance Committee by one year, such that they will expire on 31 December 2022.²⁵

VI. Meetings of States parties to the Convention

28. During the thirtieth Meeting of States parties to the Convention, in 2020, the Secretary-General provided information on the activities carried out by the Authority since the twenty-ninth Meeting, including during the pandemic, in a written statement.

29. On 21 June 2021, the Secretary-General provided information on the activities of the Authority to the thirty-first Meeting of States parties to the Convention. He emphasized that the Authority had managed to carry on with essential activities despite operational constraints and a lack of in-person meetings since February 2020.

VII. Status of exploration contracts and related matters

A. Status of contracts for exploration

30. Thus far, 31 contracts for exploration have entered into force (19 for polymetallic nodules, 7 for polymetallic sulphides and 5 for cobalt-rich ferromanganese crusts). They include a contract for exploration for polymetallic nodules signed with Blue Minerals Jamaica Ltd. on 4 April 2021.

B. Applications for extension of exploration contracts

31. Seven applications for extension, for a five-year period, of approved plans of work for exploration were received by the Secretary-General and considered by the Commission at its meetings in April 2021. They were submitted by the following entities: the Interoceanmetal Joint Organization, JSC Yuzhmorgeologiya, the Government of the Republic of Korea, the Deep Ocean Resources Development Co.

²⁰ See [ISBA/26/A/16](#).

²¹ See [ISBA/26/A/20](#).

²² See [ISBA/26/A/17](#).

²³ See [ISBA/26/A/18](#).

²⁴ See [ISBA/26/A/15](#).

²⁵ See [ISBA/26/A/23](#).

Ltd., the China Ocean Mineral Resources Research and Development Association, the Institut français de recherche pour l'exploitation de la mer (IFREMER) and the Federal Institute for Geosciences and Natural Resources of Germany. The Commission, in April 2021, made recommendations in respect of each application to the Council.²⁶

C. Informal meeting of the contractors

32. In continuation of a practice begun in 2017, the fourth annual informal meeting of exploration contractors was held virtually from 19 to 22 April 2021. Participants exchanged views on, among other issues, the status of development of regulations on exploitation in the Area and associated standards and guidelines, implementation of the contractor training programme, implementation of the data management strategy of the Authority and the review and ongoing development of regional environmental management plans. Also discussed at the meeting was the contribution of contractors to the improved mapping of the ocean floor within the context of the Seabed 2030 project (see para. 49).

VIII. Report on the implementation of the strategic plan of the Authority for the period 2019–2023

33. It is recalled that section A of annex I to ISBA/26/A/2 provides an assessment against performance indicators of the performance of the Authority in implementing the strategic directions set out in the strategic plan of the Authority for the period 2019–2023. That assessment was up-to-date until July 2020. As a result of the amount of time that has elapsed since the preparation of ISBA/26/A/2, the present section includes a narrative update on the main activities that were carried out between July 2020 and October 2021 to implement the strategic directions of the Authority. An updated assessment against performance indicators will be provided in the context of the annual report of the Secretary-General in 2022.

A. Strategic direction 1: realize the role of the Authority in a global context

34. In the strategic plan of the Authority for the period 2019–2023, the importance for the Authority of aligning its programmes and initiatives with the realization of the Sustainable Development Goals, in particular Goal 14, is explicitly recognized. In that context, in 2021 the Secretary-General commissioned an independent report on the contribution of the Authority to the achievement of the 2030 Agenda for Sustainable Development, and he established a group of international experts with the responsibility of providing strategic guidance and inputs on the preparation of the report. The report was based on an analysis of documentary evidence, along with interviews with experts from a broad range of backgrounds and representing the full spectrum of relevant stakeholders of the Authority. The report includes the conclusion that the Authority currently contributes to 12 of the Goals.²⁷ A high-level event will be convened for the launch of the report, on 30 November 2021.²⁸

²⁶ See ISBA/26/C/31, ISBA/26/C/32, ISBA/26/C/33, ISBA/26/C/34, ISBA/26/C/35, ISBA/26/C/36 and ISBA/26/C/37.

²⁷ Report available at https://isa.org.jm/files/files/documents/ISA_Contribution_to_the_SDGs_2021.pdf.

²⁸ For more information, see <https://www.isa.org.jm/event/report-launch-contribution-ISA-2030-agenda>.

35. On 8 July 2021, the Secretary-General was invited to attend the high-level political forum on sustainable development as ministerial respondent in the session entitled “Restoring the conditions for Sustainable Development Goal progress in African countries, least developed countries and landlocked developing countries”. The Secretary-General highlighted the opportunities offered by the Convention to all developing States, including the most vulnerable of them, as well as the importance of the Convention for the realization of socioeconomic development objectives.
36. On 13 July 2021, the Authority hosted a virtual event on ensuring the sustainable management and stewardship of the deep seabed and its resources for the benefit of all humanity on the margins of the high-level political forum on sustainable development. The event was co-sponsored by the Cook Islands, Ghana, Jamaica, Malta, Norway, the Republic of Korea, Singapore, South Africa and IFREMER (France). Over 140 participants from 64 countries participated in the event.²⁹
37. As part of a series of events to be organized in 2022 in celebration of the fortieth anniversary of the opening for signature of the Convention at Montego Bay, Jamaica, the secretariat has issued a call for expressions of interest in participating in a conference entitled “Women in the Law of the Sea”, to be organized by the secretariat in March to June 2022 (dates to be confirmed). The conference will be aimed at highlighting the important contributions made by women to the development and implementation of the law of the sea, the participation of women in the institutions created by the Convention and related regional and subregional organizations and the pathways to enhancing the potential for women to contribute to the law of the sea in the future. Speakers from developing States, and from the least developed countries, landlocked developing countries and small island developing States in particular, are encouraged to participate.³⁰
38. Under strategic direction 1, the Authority is encouraged to establish and strengthen strategic alliances and partnerships with relevant subregional, regional and global organizations. In that connection, the secretariat has continued to work collaboratively within the framework of UN-Oceans and has participated in several technical meetings organized in July 2020, April 2021 and October 2021, as well as in the high-level meeting held on 10 December 2020, chaired by the Under-Secretary-General for Legal Affairs, the United Nations Legal Counsel.
39. The secretariat participated in the fifty-third Executive Council of the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (3–9 February 2021), as well as the thirty-first Assembly of the Commission (12–24 June 2021), where it highlighted the very fruitful and productive cooperation established between the two organizations and the need for increased synergies. On 21 May 2021, the Authority officially joined the International Oceanographic Data and Information Exchange network of the Commission as an associate data unit, enabling the secretariat to serve as a node for the Exchange’s Ocean Biodiversity Information System.
40. The secretariat contributed to the second and third consultative meetings on the development of an African strategy for ocean governance, organized by the United Nations Environment Programme, in collaboration with the African Union Commission and the African Ministerial Conference on the Environment, on 21 and 22 October 2020 and on 15 and 16 June 2021.

²⁹ For more information, see <https://www.isa.org.jm/event/side-event-hlpf2021-ensuring-sustainable-management-and-stewardship-deep-seabed>.

³⁰ For more information, see <https://www.isa.org.jm/news/isa-conference-2022-women-law-sea-call-expression-interest>.

41. The Secretary-General participated in the Annual Ministerial Meetings, in September 2020 and September 2021, of Foreign Ministers of Landlocked Developing Countries. The meetings provided an opportunity for the Secretary-General to remind those countries of the specific provisions contained in the Convention that allow that group of countries to engage in the legal regime for the Area.

B. Strategic direction 2: strengthen the regulatory framework for activities in the Area

42. Owing to the impossibility of holding in-person meetings of the Council since March 2020, the Council has not been able to advance its consideration of the draft exploitation regulations. A detailed report on the status of the draft regulations on exploitation of mineral resources in the Area and the proposed road map for 2022 and 2023, for the consideration by the Council, is provided in document [ISBA/26/C/44](#).

43. At its meetings in 2020 and 2021, the Legal and Technical Commission undertook work on phase-one standards and guidelines as a priority matter. In July 2020, the Commission issued three draft standards and guidelines for stakeholder consultations. In March 2021, it issued seven draft standards and guidelines for stakeholder consultations and, in September 2021, after considering the comments received from stakeholders, decided to submit all phase-one draft standards and guidelines to the Council for its consideration, as part of the package of the draft regulations on exploitation.

C. Strategic direction 3: protect the marine environment

44. At its meetings in May 2021, the Commission completed its review of the implementation of the environmental management plan for the Clarion-Clipperton Zone and formulated recommendations to the Council on the establishment of four additional areas of particular environmental interest to enhance the effectiveness of the network of areas of particular environmental interest.³¹

45. As requested by the Council in relevant decisions, further progress has been made in developing regional environmental management plans in other priority regions.³² Two virtual workshops were organized in 2020 to support the development of regional environmental management plans for the Area of the northern Mid-Atlantic Ridge and the North-West Pacific Ocean. Additional expert workshops are being planned for 2022.

46. In September 2021, the Commission decided to establish a working group to draft the regional environmental management plan for the Area of the northern Mid-Atlantic Ridge with a focus on polymetallic sulphides deposits, drawing on the results from the expert workshops held to date, with a view to submitting the draft plan for consideration by the Commission at its next session. As part of the discussions on the outline of the draft plan, the working group noted that its work could contribute to work on formulating recommendations regarding a standardized approach to the development of such plans, including a template with indicative elements, as requested by the Council in its decision [ISBA/26/C/10](#).

³¹ See [ISBA/26/C/43](#).

³² See [ISBA/24/C/8](#) and [ISBA/24/C/8/Add.1](#).

D. Strategic direction 4: promote and encourage marine scientific research in the Area

47. The promotion of marine scientific research with respect to activities in the Area, with a particular emphasis on research related to the environmental impact of such activities, is a key focus area for the Authority in accordance with the Convention and the Agreement. This is recognized in the strategic plan and the high-level action plan of the Authority for the period 2019–2023.³³ It is recalled that the General Assembly proclaimed the United Nations Decade of Ocean Science for Sustainable Development as 2021 to 2030. In December 2020, the Assembly of the Authority adopted a decision relating to the action plan of the Authority in support of the United Nations Decade.³⁴ In that respect, a separate report has been prepared for the Assembly on the implementation of the action plan.³⁵

48. From 21 to 25 September 2020, the secretariat held a virtual workshop on DeepData, with a key focus on developing strategic approaches to collaboration to promote the exchange and sharing of deep-sea data and to improve scientific knowledge of deep-sea ecosystems in the Area. Drawing on the outcome of the workshop, the templates for reporting geological and environmental data were updated, and a new template for reporting the submission of metadata was developed. The templates were endorsed by the Legal and Technical Commission in September 2021.³⁶

49. The Authority celebrated World Hydrography Day on 21 June 2021. On that occasion, the Secretary-General reiterated the commitment of the Authority to contributing to advancing the general knowledge and understanding of the world's oceans and to advancing the global mapping of the seabed by 2030.

50. On 8 March 2021, on the occasion of International Day of Women and Girls in Science, the secretariat organized a high-level event to recognize the Authority's commitment to advancing women's empowerment and leadership in deep-sea research. The event also provided an opportunity to formally launch the Women in Deep-Sea Research project, in partnership with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The project is aimed at developing specific activities to advance women's empowerment and the leadership of women scientists from the least developed countries, landlocked developing countries and small island developing States. Several strategic partnerships have already been established with Governments, international and regional organizations, academia and contractors to implement activities in the four action areas (policy development and advocacy, capacity development, sustainability and partnerships and communication and outreach). The first activities to be undertaken are the gender mapping of women scientists in the least developed countries, landlocked developing countries and small island developing States and the identification of barriers that they could face in their career development. For that purpose, more than 30 members of the Authority have provided a data collection focal point who is currently working with the secretariat.

³³ See [ISBA/24/A/10](#), [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#).

³⁴ See [ISBA/26/A/17](#).

³⁵ See [ISBA/26/A/25](#).

³⁶ See [ISBA/21/LTC/15/Corr.1](#).

E. Strategic direction 5: build capacity for developing States

51. Between 2020 and 2021, more than 600 individuals have benefited from at least one of the capacity-building/development activities implemented by the Authority, including participation in the workshops that it has organized.

52. In the light of the decision of the Assembly relating to the implementation of a programmatic approach to capacity development,³⁷ in January 2021, the secretariat invited members of the Authority to identify dedicated focal points to facilitate the dissemination at the national level of information on capacity development programmes and activities to be implemented by the Authority. Thus far, 41 focal points have been nominated.³⁸ On 20 April 2021, the secretariat held the first meeting of national focal points, which was followed by the circulation of a survey to identify potential partners at the national level with which the Authority could develop initiatives for training and capacity development and support the work of the secretariat in establishing a network of institutions that could contribute to the implementation of the Authority's dedicated strategy for capacity development. Attention is now being given to organizing the results of the survey to enable the secretariat to reach out to relevant institutions, while further work is needed to finalize a draft capacity development strategy.

53. Between 2020 and 2021, 66 individuals were selected under the contractors' training programme (39 in 2020 and 27 in 2021), including 27 women. Owing to the challenges faced by contractors because of the restrictions imposed by the COVID-19 pandemic, some flexibility was given to contractors to either postpone some of their practical training or, in some cases, provide e-learning training instead. To date, 29 out of the 59 practical training placements for 2021 have been converted to remote learning.

54. Global travel restrictions have severely hampered the internship programme of the Authority. Nevertheless, it was possible to host four online and one in-person internships between 2020 and 2021.

55. The third edition of the Secretary-General's Award for Excellence in Deep-Sea Research had to be postponed and reopened for applications in 2021. Seven applications were deemed eligible by the advisory committee appointed by the Secretary-General for evaluating the nominations. The awardee will be announced by the Secretary-General at the meetings of the Assembly in December 2021.

56. From 1 to 3 June 2021, the third regional workshop in the context of the Africa Deep Seabed Resources project was held in a virtual format. The workshop was hosted by the Government of Mauritius, with the support of the African Union and the Norwegian Agency for Development Cooperation. The workshop was focused on regulatory processes related to deep-seabed mineral resources exploration and exploitation – including environmental management practices and tools – and the potential benefits for African States of engaging in activities in the Area. About 170 representatives from 21 countries participated in the event, which specifically targeted African States of the Indian Ocean region (Comoros, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia and Tanzania). Representatives of competent international and regional organizations, contractors, non-governmental organizations and more than 35 African former trainees of the Authority were also in

³⁷ See [ISBA/26/A/18](#).

³⁸ Algeria, Argentina, Australia, Botswana, Cambodia, Chile, China, Cook Islands, Egypt, Eswatini, Fiji, France, Honduras, Indonesia, Jamaica, Japan, Kenya, Kiribati, Lao People's Democratic Republic, Lithuania, Mexico, Mongolia, Mozambique, Myanmar, Nauru, Nepal, New Zealand, Norway, Oman, Panama, Poland, Philippines, Republic of Korea, Russian Federation, Saudi Arabia, Somalia, Timor-Leste, Togo, United Kingdom of Great Britain and Northern Ireland and Viet Nam.

attendance. In parallel, efforts have been made to enable the programme for the deployment of national African experts within the secretariat established under the project to resume. Three experts from Nigeria and Zambia joined the secretariat in November 2021 for a two-month period.

57. In 2021, two national capacity development workshops were organized virtually at the request of Indonesia. One, held in January, was entitled “Enhancing understanding of the legal framework in the Area”, and the other, held in October, was entitled “Environmental components of deep-seabed mining legislation”. Together, the workshops benefited more than 140 individuals representing a large spectrum of national stakeholders, including government officials, policymakers and researchers.

58. The fourth regional workshop under the Abyssal Initiative for Blue Growth project was held virtually from 26 to 29 July 2021. The workshop, which was hosted by the Government of the Cook Islands, was focused on key components of environmental management and monitoring requirements related to activities in the Area. It was jointly organized by the Authority and the Department of Economic and Social Affairs, with the support of the Norwegian Agency for Development Cooperation. It provided an opportunity for more than 120 participants representing government entities, contractors, observers, regional and international organizations and civil society organizations to exchange information and discuss a wide range of topics. The workshop concluded with a dedicated session in which Pacific small island developing States that are sponsoring activities in the Area further identified their specific capacity development needs in relation to these areas of expertise and discussed ways to address them through strengthened cooperation at both the national and regional levels. Significant progress was also made on another deliverable of the Abyssal Initiative, namely the development of a toolkit relating to the role and responsibilities of sponsoring States, which should be released, after consultation with key regional stakeholders, in early 2022.

59. On 16 September 2021, the secretariat hosted the first webinar of a new series, entitled “International Seabed Authority Marine Scientific Research Information Series for Africa”, which was created specifically for the African member States of the Authority and other stakeholders in the region with a view to strengthening their capacity to conduct research in the Area. The new webinar series complements and builds upon the Africa Deep Seabed Resources project.

60. On 9 November 2020, the Authority and China officially launched the Joint Training and Research Centre, established under the memorandum of understanding that was approved by the Assembly at its twenty-fifth session. The Steering Committee of the Centre met virtually in November 2020 and October 2021, having adopted its rules of procedure and discussed the training plans for 2021 and 2022.

61. On 19 August 2021, the Authority and the Sub-Commission for the Caribbean and Adjacent Regions of the Intergovernmental Oceanographic Commission co-organized an online workshop on capacity development related to the deep sea, which was focused on the co-designing of deep-sea research programmes in the Western Tropical Atlantic and Eastern Tropical Pacific regions. About 135 participants, mostly from the Caribbean region, attended the workshop.

62. The secretariat of the Authority, in partnership with the World Bank, through the Environment and International Law Practice Group of its Legal Vice-Presidency, the University of Melbourne Law School, the Division for Ocean Affairs and the Law of the Sea, the Office of Legal Affairs of the United Nations, the Food and Agriculture Organization of the United Nations and the Maritime and Oceanic Law Centre at the University of Nantes, collaborated to develop and deliver a training programme on international law related to ocean governance and the legal framework for the blue

economy, including relevant regional conventions, entitled “Ocean Governance Capacity Building”, drawing on each partner’s respective areas of expertise. Thus far, two tranches of the online training have been organized. The first tranche, delivered between 12 April and 6 May 2021, was dedicated to the Pacific region, and the second tranche, delivered between 13 September and 28 October 2021, was dedicated to the Africa region. The Authority led a module entitled “Activities in the Area”.

63. The secretariat, in cooperation with IFREMER and with the support of the Government of France, developed a deep-sea taxonomy postdoctoral fellowship for candidates from developing States Members of the Authority. The 18-month fellowship will be focused on developing and testing new methods and technologies for deep-sea species identification and is expected to begin in February 2022. The fellowship will be part of the IFREMER Blue Revolution project and will involve work on the development and testing of three-dimensional imaging techniques for the identification of meiofauna organisms of deep-sea ecosystems found in areas currently being explored for mineral resources. The fellowship will also contribute to identifying key species that can be used as indicators for assessing potential environmental changes in the future.

64. In a further expansion of its capacity development activities, the secretariat is currently developing a dedicated e-learning platform focusing on all relevant disciplines pertaining to the implementation of the regime of the Area. It is expected that the first selection of trainees will begin in February 2022.

F. Strategic direction 6: ensure fully integrated participation by developing States

65. Ensuring the effective participation of developing States in the work of the Authority and in activities carried out in the Area is essential. In this context, the secretariat developed a series of three publications on the relevance of the Convention to the least developed countries, landlocked developing countries and small island developing States as a contribution to the efforts of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to facilitate the coordinated implementation of the programmes developed through the United Nations system to benefit those groups of countries.³⁹ The secretariat will organize a high-level event for the public launch of the publications on 16 November 2021.⁴⁰

66. Under this strategic direction, the Authority is required to identify possible approaches to the independent operation of the Enterprise. In this connection, the Legal and Technical Commission, at its meetings in March 2020, considered a study on issues related to the operationalization of the Enterprise and made recommendations to the Council, including those relating to the establishment of the position of Interim Director General of the Enterprise within the secretariat.⁴¹ The Special Representative of the Secretary-General for the Enterprise issued two reports on his work.⁴²

³⁹ Namely the Istanbul Programme of Action, the Vienna Programme of Action and the Samoa Pathway.

⁴⁰ For more information, see <https://www.isa.org.jm/event/report-launch-law-sea-ocean-opportunity-ldcs-lldcs-and-sids>.

⁴¹ See ISBA/26/C/12.

⁴² ISBA/26/C/15 and ISBA/26/C/46.

G. Strategic direction 7: ensure equitable sharing of financial and other economic benefits

67. At its twenty-fourth session, the Finance Committee began to consider the issue of formulation of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area. At its twenty-fifth and twenty-sixth sessions, the Committee continued its discussions on the matter and considered a number of reports requested from the secretariat. At its virtual meetings in June 2021, the Committee agreed to report its findings and considerations to the Council and the Assembly, with a view to seeking guidance on how to proceed. The Committee noted that several issues required clear policy guidance from the Assembly and that it would not be appropriate for it to continue to develop rules, regulations and procedures on equitable sharing without such guidance. The report of the Committee to the Council and the Assembly on the issue of the equitable sharing of benefits is contained in document [ISBA/26/A/24-ISBA/26/C/39](#). In addition, a compilation of the independent studies and reports considered by the Committee has been published as International Seabed Authority Technical Study No. 31.⁴³

H. Strategic direction 8: improve the organizational performance of the Authority

68. With a view to enhancing risk management and compliance assurance in relation to activities in the Area and improving the administration of regulatory standards and guidelines to support the regulatory regime and the relevant database, the Secretary-General has restructured the Contract Management Unit of the secretariat as the Compliance Assurance and Regulatory Management Unit. The responsibilities of the new unit are set out in the most recent Secretary-General's bulletin on the organization of the secretariat.⁴⁴

69. As the Council works towards the adoption of regulations on exploitation of mineral resources in the Area, together with associated standards and guidelines, the Authority will also need to prepare to become an effective regulator of industrial activity. This will require a significant increase in the current capacities of the organs and bodies of the Authority, including the secretariat. In that connection, the Secretary-General issued a report on future financing of the Authority for the consideration by the Finance Committee.⁴⁵ The Committee's consideration of the report is reflected in the report of the Finance Committee.⁴⁶

70. Building on the strategic framework established since 2018, the secretariat also developed its business plan, enabling better coordination and planning among various offices. For example, as part of its disaster recovery plan, the Authority's contingency plan for 2022 involves the following: (a) procurement and deployment of backup servers for off-site locations, both in Jamaica and at its New York liaison office; (b) procurement of a generator to keep its networked server room and leading conference room operational; (c) off-site storage of all its network data using cloud services; and (d) very high frequency radios with a simplex channel for emergency use.

⁴³ See <https://isa.org.jm/files/documents/ISA-Technical-Study-31.pdf>.

⁴⁴ [ISBA/ST/SGB/2021/3](#).

⁴⁵ [ISBA/26/FC/7](#).

⁴⁶ [ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1](#).

I. Strategic direction 9: commit to transparency

71. The Authority is committed to meaningful and informed engagement with all stakeholders in the work of its different organs and in the advancement of its mandate. This commitment has been reflected in the ongoing stakeholder consultations organized for the development of the draft regulations on exploitation and their associated draft standards and guidelines, as well as other key strategic documents and initiatives, such as the development of the strategic plan and the high-level action plan of the Authority for 2019–2023 and the development of regional environmental management plans.

72. More specifically, the secretariat has developed a draft stakeholder engagement strategy, which was shared for public consultation between December 2020 and February 2021. Its purpose is to inform and guide the Authority’s stakeholders through a detailed presentation of the rules, mechanisms and practices in place through which they can engage in the work of the Authority. An updated draft will be submitted in due course.

IX. Outreach

73. In 2021, the secretariat launched a new webinar series, entitled “Deep DiplomaSea”, to increase the awareness of personnel of permanent missions to the Authority and to the United Nations of the role, mandate and work of the Authority. More than 150 participants attended the two webinars, held in March and July 2021, respectively.

74. On 8 June 2021, the Authority held a virtual event on promoting global knowledge of deep-sea biodiversity for the benefit of humankind to celebrate World Oceans Day.⁴⁷ The secretariat also announced the winners of its art competition organized for World Oceans Day 2021 in two categories, local and international. Artists from South Africa, Italy and the Russian Federation, respectively, won the first, second and third prizes in the international competition. An 11-year-old elementary school student won the local competition.

75. The secretariat, together with interested contractors and other partner organizations, is working on a new initiative aimed at increasing the visibility of the contribution of deep-sea exploration activities conducted in the Area in order to advance the global understanding of deep-sea ecosystems and resources. The initiative will take the form of a compendium highlighting the collective achievements of the contractors in advancing the state of knowledge of the deep sea for the benefit of humanity. The compendium will be published by the end of 2021.

76. Further efforts towards inclusive and transparent communications and awareness-raising activities will be guided by a deep-sea literacy action plan, which has been developed by the secretariat and will be made available by the end of 2021.

⁴⁷ For more information, see <https://www.isa.org.jm/news/world-oceans-day-isa-vows-increase-global-knowledge-deep-sea-biodiversity-benefit-humankind>.



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Report and recommendations of the Finance Committee

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Report of the Finance Committee

Report of the Finance Committee

I. Introduction

1. During the twenty-sixth session of the International Seabed Authority, which was formally opened on 5 October 2020 by the circulation of a letter from the President, the Finance Committee held two formal meetings, as well as the informal meetings described below. The following members of the Committee participated in the meetings: Andrzej Przybycin, David Wilkens, Didier Ortolland, Duncan Muhumuza Laki, Frida Armas-Pfirter, Kenneth Wong, Kerry-Ann Spaulding, Konstantin G. Muraviov, Nyan Lin Aung, Yedla Umasankar and Reinaldo Storani. In accordance with the established practice of the Committee, Fujimoto Shoko, Philip Dixon and Zino Izourar participated prior to their formal election by the Assembly, having been nominated by their respective States as replacement candidates. On 7 October 2020, the Committee adopted its agenda ([ISBA/26/FC/1](#)) and decided that Andrzej Przybycin should continue to chair the Committee until its next physical meeting.

2. Prior to the twenty-sixth session, the Committee had held six remote sessions, on 6 and 26 May, 6, 8 and 10 July and 29 September, respectively. On the basis of a proposal circulated by the chair on 5 June 2020, the Committee agreed that the remote meetings would be used to advance the agenda with a view to reducing the need for physical meetings in October. Remote meetings were not intended as a medium for the Committee to make final decisions on any matter but instead to facilitate discussion of reports and other issues that would need to be considered by the Committee with a view to reducing the time needed for discussion at the formal meeting. Meetings were held in webinar format using Microsoft Teams, administered by the secretariat. Each meeting was a maximum of two hours in duration and alternated between times more favourable to Asia and those more favourable to Western Europe. Each meeting was recorded for the benefit of those unable to attend.

3. It was also agreed, and implemented, that after each remote meeting the Chair, in collaboration with the secretariat, would prepare an informal note of the discussion

* [ISBA/26/A/L.1](#).



and key points emerging and circulate it to all members of the Committee. Members of the Committee were given five working days to provide any corrections or alterations to the note. The notes from all remote meetings were then compiled and made available to the Committee in advance of the next session.

4. Prior to the October session, it was agreed that the Chair would also circulate a briefing note to the Committee proposing a working methodology for dealing with the agenda. This may include taking “as read” (i.e. without any further discussion) those items where the Committee was simply required to take note of a report (agenda items 4, and 7–9) and proceeding directly to discussion of other agenda items without any further introduction by the secretariat (items 5–6 and 10–11). Where possible, the Chair would try to identify the key points to be discussed under each agenda item with a view to expediting the discussion in relation to that agenda item. The Chair, in collaboration with the secretariat, would also prepare an initial draft decision of the Finance Committee for consideration during the next session, to be circulated prior to the session.

5. It was noted that the above-mentioned procedures were intended to expedite the work of the Committee and were agreed without prejudice to the right of each member of the Committee to raise any issue in accordance with the rules of procedure.

II. Implementation of the budget for the financial period 2019

6. The Committee was provided with a report and a presentation on the implementation of the budget for the period from January to December 2019. The report showed an overspending of \$307,350 (3.23 per cent) and presented information on budget lines with significant variation between planned and actual expenditure. The Committee requested and received clarifications on various matters, such as common staff costs, conference services and rental costs, remote interpretation, support equipment and implementation of programmes with savings due to extrabudgetary funding. The Committee took note of the report on the budget performance for the financial period 2019.

III. Status of the Working Capital Fund

7. The Committee was provided with a report on the status of the Working Capital Fund. Following the increase of the budget of the Authority, the level of the Working Capital Fund had increased to \$750,000, the most recent increase of \$90,000 having been approved by the Assembly in 2019. On 5 May 2020, the balance of the Working Capital Fund was \$655,556, with a further \$4,444 to be collected in the financial period 2019–2020.

8. The Committee took note of the report on the status of the Working Capital Fund. Clarification was provided on the fact that \$4,444 was to be collected in the financial period 2019–2020, with the increase of \$90,000 of the approved level of the Fund to be spread over the next four years.

IV. Status of contributions and related matters, including indicative scale of assessed contributions to the administrative budget for the financial period 2021–2022

9. The Committee was provided with a report on the status of contributions as at 5 May 2020 ([ISBA/26/FC/4](#)) and a supplementary presentation on the outstanding

contributions for the reported and prior periods by regional groups as at 1 October 2020. The presentation showed an 86 per cent collection rate of 2020 contributions, with 14 per cent outstanding and an amount of \$983,171 outstanding for prior years. The Committee expressed its concern over the amount of arrears and the large number (51 States) of members in arrears for more than two years. It urged the Secretary-General to continue his efforts to collect outstanding contributions, including by raising the issue with the regional groups most affected.

10. The Committee recommended that, in line with article 160, paragraph 2 (e), of the United Nations Convention on the Law of the Sea, the scale of assessments to the administrative budget of the Authority for 2020 and 2021 be based on the scale of assessments to the regular budget of the United Nations for the years 2019 to 2021, taking into account the ceiling assessment rate of 22 per cent and the floor assessment rate of 0.01 per cent, differences in membership and the contribution of the European Union.

V. Audit report on the accounts of the International Seabed Authority for 2019

11. The Committee took note of the audit report and the management letter. The Committee was provided with the audited financial statements and a presentation that highlighted the major observations and categories of financial position and performance. It was stressed that any underbudgeting in future years would cause a corresponding loss to be reported in the financial statements. The Committee requested and received clarifications on the audit observations relating to actuarial calculations of after-service health insurance liability and 2018 obligations recorded in 2019. The secretariat indicated that it had commissioned an independent actuarial valuation as required by the auditor.

VI. Status of the trust funds of the Authority and related matters

12. The Committee was provided with a report on the status of the trust funds of the International Seabed Authority, related matters and updates on the balance of funds as at 24 April 2020 ([ISBA/26/FC/2](#)). The Committee took note of the report and the updates, which were provided by the secretariat.

A. Endowment Fund for Marine Scientific Research in the Area

13. The Committee noted that, as at 24 April 2020, the capital of the endowment fund stood at \$3,513,567, with accumulated interest of \$806,350 and expenditure of \$610,209. The secretariat clarified in response to a question that the current interest rate was 4 per cent.

B. Voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee

14. The Committee noted that voluntary contributions from Member States and from contractors had enabled the participation of the respective members from developing countries in the first part of the twenty-sixth session. The Committee

recognized that a contribution of \$10,000 had been made by Global Sea Mineral Resources NV and that four contractors had opted for the payment of \$6,000 on a voluntary basis and encouraged other contractors to follow their example. Noting with concern that, as at 1 October 2020, the balance of the fund stood at only \$25,990, the Committee reiterated its appeal for more voluntary contributions, including from observers, as a vital means to secure participation from members from developing countries at the meetings of the two subsidiary organs of the Authority.

C. Voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council

15. The Committee noted that the balance of the voluntary trust fund to support the participation of members of the Council of the Authority from developing States in the meetings of the Council stood at \$20,579. The Committee also noted that there had been no new contributions since December 2019.

D. Trust fund for extrabudgetary support for the International Seabed Authority

16. The Committee noted that the total funds available for extrabudgetary support for the Authority as at 1 October 2020 stood at \$433,885.

E. Voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise

17. The Committee noted that, as at 24 April 2020, the balance stood at \$5,968.

F. Establishment of the Cost Recovery Fund for the International Seabed Authority

18. The Committee noted and approved the establishment of the Cost Recovery Fund by the Secretary-General in January 2020, pursuant to Financial Regulations 5.5 and 5.6 (ISBA/ST/SGB/2020/2). The clarification was provided by the secretariat as to the purpose of the Fund, which was to ensure more transparent accounting in accordance with International Public Sector Accounting Standards (IPSAS), and to recover and account for various overhead charges and indirect costs which were difficult to quantify. It was explained that the 13 per cent cost recovery was applied in line with the common United Nations standards.

VII. Development of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area pursuant to section 9, paragraph 7 (f), of the annex to the 1994 Agreement

19. The Committee continued its discussions on the equitable sharing of financial and other economic benefits derived from activities in the Area. At its remote meeting on 26 May 2020, the Committee considered a supplementary report on alternative

distribution formulae, based on its request in 2019. The Committee noted that the supplementary report presented and evaluated, according to widely accepted measures of relative inequality and global social welfare, three alternative formulae for the fair and equitable allocation of a given sum of royalties available for distribution. In addition to the formula presented in 2019, the new formulae included a formula with a floor and ceiling rate, and a formula based on a geometric mean, rather than arithmetic mean. It was noted that the basic concept behind each of the formulae was to calculate each country's population as a percentage of the world's total, which would be fully consistent with Aristotle's principle of equity or proportionality. This distribution would then be adjusted through a social distribution weight in such a way as to redistribute income from higher-income States parties to the developing countries referenced in article 140 of the Convention. Following the remote meeting, the Committee requested, and was provided with, a model to enable it to visualize and compare the impact of each formula on any member of the Authority under the different scenarios.

20. Without prejudice to its discussion of a formula for equitable distribution, the Committee also considered whether an alternative or supplemental approach might be the establishment of a global fund that could be used to support global public goods, investment in human and physical capital or deep sea research and conservation. Such a fund could support and enhance knowledge about the deep sea, which is a global public good. Such knowledge includes, for example, scientific knowledge about the marine environment of the Area, capacity-building for the sustainable development of deep seabed mining (such as enlarging the number of nationals with seabed technical competence), and research and development of new technology that minimizes the environmental impact of deep seabed mining. A suggestion was also made that the fund could also support the establishment of regional marine scientific and technological centres. The Committee also took note of the discussions in the Council during the first part of the twenty-sixth session, during which delegations had emphasized the need to consider a fund dedicated to environmental research and training, which should be separate from the proposed environmental compensation fund, and noted that a number of proposals had been made to broaden the reach of such a fund to cover, for example, research to generate information for the review of regional environmental management plans.

21. Without reaching any decision, and without prejudice to its overall discussion on the issue of equitable sharing, the Committee requested the secretariat to provide it with a report further developing the concept of a global fund, which should include, inter alia, the following elements: (a) how such a fund could be administered and what options there may be for access, monitoring and evaluation of outcomes; and (b) an overview of how other neutrally sourced funds are administered by international bodies in order to learn about the strengths and weaknesses of current or past attempts.

22. The Committee emphasized the importance of leveraging other organizations' practices, looking both at the efficiency and equity, studying empirical evidence and learning from their experience. Examples such as the United Nations Environment Programme, the Global Environment Facility, the Consultative Group on International Agricultural Research and the World Health Organization were suggested as potential sources of reference and possible partners in the future. The Committee also emphasized the need to base its considerations on the objectives of the Convention and to take into consideration the strategic plan of the Authority, specifically the aspects of development assistance, promoting autonomy and regional distribution among appropriate stakeholders.

23. The Committee decided to keep the matter of equitable sharing on its agenda with a view to producing a report for the consideration of the Assembly in 2021.

VIII. Proposed budget for the financial period 2021–2022

24. The Committee was provided with a presentation on the proposed budgetary requirements for the financial period 2021–2022 (ISBA/26/A/5-ISBA/26/C/18). The Secretary-General emphasized that, compared with the budgets from previous years, this budget prioritized cost-saving measures against the realistic needs of the Authority to avoid underbudgeting and overexpenditure. The strategy applied during its preparation ensured the maintenance of relative proportions of expenditure at a level similar to prior periods without affecting administrative and programme expenditure, while at the same time promoting transparency and a results-based budgeting methodology that links deliverables to the strategic plan.

25. In relation to staff costs, it was clarified that the four new posts proposed were all full-time posts. Three of the four posts were currently occupied on a temporary basis. The incremental cost of the four posts was about 1 per cent of the total staff costs. In response to a question, the Secretariat also explained that the functions of the proposed graphic designer had previously been outsourced to consultants. Since the post was budgeted at a relatively low level (P-2), it would be more cost-effective to maintain in-house capacity rather than continuously rely on outsourcing. The graphic designer would also carry out editorial functions that would enhance overall efficiency for the Authority. It was noted that expenditure under programme 2.5 would decrease to offset the costs of the new position and bring those functions in-house.

26. In relation to conference services, it was emphasized that the prior budget period had been severely underbudgeted, which had been the primary cause of overexpenditure in 2019. In view of the Authority's projected workload with respect to the negotiations on the draft regulations for exploitation, a large increase is inevitable if the Authority is to maintain the pattern of meetings at the same level and achieve successful outcomes. Concerted efforts have been made by the secretariat to reduce overall costs, such as local transportation and overtime, as well as wherever possible leveraging local human capital to realize further savings. A question was raised concerning the costs of Earth Negotiations Bulletin reporting services. The secretariat reported that the cost was approximately \$150,000 annually and that it was not possible to incorporate this into the proposed budget. This was an example of the sacrifices that had been made, despite the fact that many delegations appreciated the Bulletin's reporting. It was also noted that, despite efforts made by the Secretary-General, voluntary contributions to support reporting services had been exhausted.

27. The Committee expressed its concern over the large increase in the costs associated with the rental of the Jamaica Conference Centre. It was explained that the rental fee did not include costs associated with additional furniture, facilities for delegates, equipment or services, such as live streaming, video screens and audiovisual equipment, all of which had to be supplied and paid for by the Authority. The Committee requested the Secretary-General to discuss with the host Government the possibility of reviewing those costs in line with the host country agreement and requested a more detailed report on the costs of the Jamaica Conference Centre, to be provided at its next meeting.

28. The Committee noted that savings of \$195,000 per year could be achieved by fully adopting remote interpretation services for the Council and Assembly meetings (table 1 in document ISBA/26/A/5-ISBA/26/C/18). It also noted that the use of remote interpretation was now becoming widespread, including at the United Nations in Geneva and New York, as well as in other international organizations. Experience had shown that remote interpretation worked well. Considering the large cost savings involved, and recalling that it had previously recommended the use of remote

interpretation, the Committee considered that there was no justification in delaying any further the full implementation of this cost-saving measure.

29. The Committee noted that the Secretary-General had reorganized the programme budget to reflect the priorities identified in the high-level action plan, including the outcomes of the workshop on capacity development, resources and needs assessment held in Kingston in February 2020 and the recommendations reflected in [ISBA/26/A/7](#) and [ISBA/26/A/12](#).

30. With respect to the Enterprise, the secretariat explained that the proposed costings in table 10 of document [ISBA/26/A/5-ISBA/26/C/18](#) were indicative only and had been prepared in the light of the recommendation submitted to the Council by the Legal and Technical Commission with respect to the operationalization of the Enterprise (see [ISBA/26/C/12](#), para. 41). The total cost was estimated at \$637,320 over the financial period. In response to questions, the secretariat stated that cost-savings of \$40,000 per year could be achieved by adjusting the level of the Interim Director-General from D-1 to P-5, but that that was a decision for the Council to make. Cost savings could also be made on travel if necessary.

31. After further consideration, and taking into account that fact that the delay in the schedule of meetings meant that the Council would not have the opportunity to consider the recommendation of the Legal and Technical Commission in relation to the Enterprise until 2021, the Committee decided to return to the matter at its meetings in 2021, taking account of any recommendation of the Council. It was clarified that the financial provision for the Enterprise remained not included in the budget proposal.

32. Following discussion, the Secretary-General presented a revised proposal to the Committee ([ISBA/26/A/5/Add.1-ISBA/26/C/18/Add.1](#)) reflecting a reduction in interpretation costs of \$390,000, deferment of one of the new posts requested and further savings in documentation costs and the programme budget. The Committee decided to recommend the approval of the proposed budget for the financial period 2021–2022 in the amount of \$20,301,362 as reflected in [ISBA/26/A/5/Add.1-ISBA/26/C/18/Add.1](#). It was also noted that cost savings from the period 2019–2020, estimated at \$300,000, would be credited against contributions due for 2021–2022.

IX. Status of overhead charges for the administration and supervision of contracts for exploration and their reflection of costs actually and reasonably incurred

33. The Committee was provided with a report on the status of overhead charges for the administration and supervision of contracts for exploration and their reflection of costs actually and reasonably incurred ([ISBA/26/FC/3](#)). The report was provided in response to a request by the Committee, at its twenty-fourth session, to develop a revised methodology for the calculation of overhead charges that would capture the actual cost of administering the contracts on an accrual basis of accounting. The secretariat presented a comparative analysis of the applicable costs assessed in 2013, 2017 and 2019, as well as the impact of the revenue from the overhead charges on the income of the Authority. The secretariat informed the Committee that the total cost for the administration and supervision of contracts was estimated at \$2,328,930, which, based on 29 contracts, equated to an overhead charge of \$80,308 per contract.

34. The Committee noted that the revised methodology was an improvement over the previous methodology and provided a sound basis for moving forward. Questions were asked as to whether there had been any feedback from contractors and what the impact would be on the budgets of contractors, which had already been decided for

2021. More detail was requested on the calculation of staff costs and the position of training coordinator. It was also suggested that there could be economies of scale with an increased number of contractors. A question was raised as to whether the application fee for a plan of work for exploration should be reviewed.

35. The secretariat confirmed that the report had been posted on the Authority's website and had therefore been available for review by contractors and other stakeholders, although no formal feedback had been sought. Calculation of staff costs for that purpose was based on IPSAS concepts, including all liabilities, such as pension costs, after-service health insurance and other benefits. Indirect costs were calculated based on the 13 per cent United Nations universal methodology, covering overheads, utilities, rent, etc. With respect to the implementation date (proposed as 1 January 2021), the secretariat noted that similar concerns had been raised in the Council but that the contractors had been able to pay the increased charges when invoiced.

36. The secretariat further laid out that an increase in the number of contracts did not necessarily cause economy of scale. On the contrary, the increase in exploration work being undertaken actually increased the demands on the secretariat because of the need for the submission of more detailed and comprehensive reports by contractors, including environmental impact assessments. This led to a substantial increase in workload for the secretariat, as well as the Legal and Technical Commission, which also had to demonstrate that it was able to act as an effective regulatory body. The Secretary-General highlighted that the report presented was based on actual cost estimates. This means that if the annual overhead charge is kept at the current level of \$60,000, the result will be either overexpenditure, or the member States will be required to subsidize contractor-related activities through an increase in assessed contributions. It is important to keep the level of income from contractors at around 20 per cent of budget if the principle of cost recovery is to be respected. The secretariat noted the possibility of reviewing the level of future application fees.

37. The Committee decided to recommend an increase in the annual overhead charge to \$80,000, effective 1 January 2021.

X. Costs of participation in meetings of the International Seabed Authority by observers

38. The Committee was provided with information on the practices followed by other organizations in relation to the costs of participation in meetings by observers, in line with its request made at its twenty-fifth session. The Committee took note of the various options presented to it in the context of non-member States, intergovernmental organizations and non-governmental organizations.

39. In discussions, members supported in principle the idea that non-member States should contribute towards the cost of participation, but noted that neither of the methodologies suggested (a 50 per cent assessment rate or a flat fee based on the floor rate) produced a practical way forward. In relation to non-governmental organizations, questions were raised about how to distinguish between "large" non-governmental organizations and "small" non-governmental organizations, and it was noted that the current rules on observer status did not require financial disclosures from any of them. It was considered counter-productive to charge participation fees to intergovernmental organizations. The Committee decided to keep the matter under consideration at its next meeting.

XI. Report on the implementation of the strategic plan

40. The Committee recalled that the Assembly, in its decision [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#) relating to the implementation of the strategic plan for the Authority for the period 2019–2023, committed to the strengthening of existing working practices of the Authority and accordingly, invited members of the Authority and observers, as well as the organs of the Authority, to support continuously the implementation of the strategic plan and the high-level action plan.

41. The Committee noted that, for the reporting period 2019–2020, it had been assigned some responsibilities for 10 high-level actions and 13 associated outputs listed in annex II of decision [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#). In one case, no specific output had been identified and therefore, the reporting specifically addressed the high-level action of interest (see high-level action 7.1.2). Accordingly, the total number of items identified for the reporting was 14.

42. The Committee was identified as “organ responsible” for 2 of the outputs, “associated organ” for 11 other outputs and “coordinating organ” for 1 output. To reflect the different status of completion, particularly the fact that some outputs were recurring, two different subcategories of progress status were identified. One related to the ongoing nature of some outputs, understood as requiring ongoing attention and adjustment. The other related to the fact that, in some cases, the output was to be reported against a specific reporting period or action and therefore the status of completion was noted as “achieved”.

43. As of May 2020, 12 (86 per cent) of the assigned high-level actions and outputs had been completed while 2 (14 per cent) were still in progress. All outputs assigned for the reporting period under strategic direction 2 (“Strengthen the regulatory framework for activities in the Area”) had been completed. Further information is provided in annex II to the present report, and details of the work undertaken against all outputs have been compiled by the secretariat and are contained in annex III, available online at www.isa.org.jm/node/19788.

XII. Recommendations of the Finance Committee

44. In view of the foregoing, the Committee recommends that the Council and the Assembly of the Authority:

(a) Approve the budget for the financial period 2021–2022 in the amount of \$20,301,362, as proposed and adjusted by the Secretary-General (see [ISBA/26/A/5/Add.1-ISBA/26/C/18/Add.1](#));

(b) Authorize the Secretary-General to establish the scale of assessments for 2020 and 2021 on the basis of the scale used for the regular budget of the United Nations for the years 2019 to 2021, taking into account that the maximum assessment rate will be 22 per cent and the minimum rate 0.01 per cent;

(c) Authorize the Secretary-General, for 2021 and 2022, to transfer between sections, subsections and programmes up to 20 per cent of the amount of each section, subsection or programme;

(d) Urge the members of the Authority to pay as soon as possible their assessed contributions to the budget on time and in full;

(e) Note with concern the increasing amounts of outstanding contributions, appeal once more to the members of the Authority to pay outstanding contributions to the budget of the Authority from previous years as soon as possible and request the Secretary-General, at his discretion, to continue his efforts to recover those amounts;

(f) Urge members and other possible donors to make voluntary contributions to the Endowment Fund and voluntary trust funds of the Authority;

(g) Express its deep concern over the depleted balance of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee;

(h) Increase the annual overhead charges to \$80,000, effective 1 January 2021, and recommends that the Council adopt the draft decision contained in annex I to the present report;

(i) Implement remote simultaneous interpretation services for all meetings of the organs of the Authority.

Annex I

Draft decision of the Council of the International Seabed Authority relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts

The Council of the International Seabed Authority,

Taking into account the recommendations contained in the report of the Finance Committee of the International Seabed Authority,

Decides to increase the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts from \$60,000 to \$80,000, effective 1 January 2021.

Annex II

Status of completion of high-level actions and associated outputs assigned to the Finance Committee for the reporting period 2019–2020

<i>Strategic directions</i>	<i>Number of relevant items for the reporting</i>	<i>Completed</i>		<i>In progress</i>	<i>On hold</i>	<i>Status of completion</i>
		<i>Ongoing</i>	<i>Achieved</i>			
1. Realize the role of the Authority in a global context	–	–	–	–	–	N/A
2. Strengthen the regulatory framework for activities in the Area	1	1	–	–	–	100%
3. Protect the marine environment	–	–	–	–	–	N/A
4. Promote and encourage marine scientific research in the Area	–	–	–	–	–	N/A
5. Build capacity for developing States	–	–	–	–	–	N/A
6. Ensure fully integrated participation by developing States	–	–	–	–	–	N/A
7. Ensure equitable sharing of financial and other economic benefits	2	–	1	1	–	50%
8. Improve the organizational performance of the Authority	11	6	4	1	–	91%
9. Commit to transparency	–	–	–	–	–	N/A
Total	14	7	5	2	–	86%

Abbreviation: N/A, not applicable.



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Report and recommendations of the Finance Committee

Agenda item 14 of the Council

Report of the Finance Committee

Report of the Finance Committee

I. Introduction

1. In the light of the decision to continue the twenty-sixth session of the International Seabed Authority into 2021, conveyed through a letter dated 22 January 2021 from the President of the Assembly and the President of the Council, the Finance Committee decided to continue its meetings during 2021 with a view to completing consideration of all items on its agenda and presenting a supplementary report to the Council and the Assembly before the end of the twenty-sixth session. The present report should be read in conjunction with the report of the Committee issued in 2020 ([ISBA/26/A/10-ISBA/26/C/21](#)).

2. During 2021, given that the coronavirus disease (COVID-19) pandemic prevented the holding of in-person meetings, the Committee held virtual meetings on 30 and 31 March, 18 May and 30 June 2021. The Committee continued to follow the modalities described in paragraphs 2 to 5 of document [ISBA/26/A/10-ISBA/26/C/21](#).

3. The following members of the Committee participated in the meetings: Andrzej Przybycin (Chair), Kenneth Wong (Vice-Chair), Frida María Armas-Pfirtner, Kejun Fan, Abderahmane Zino Izoura, Konstantin G. Muraviov, Didier Ortolland, Fujimoto Shoko, Kerry-Ann Spaulding, Yedla Umasankar and David Wilkens. On 22 March 2021, Phillip Dixon (United Kingdom of Great Britain and Northern Ireland) resigned from the Committee. Nyan Lin Aung (Myanmar) and Duncan Muhumuza Laki (Uganda) resigned on 30 March. In accordance with the established practice of the Committee, Eleanor Petch (United Kingdom) and Medard Ainomuhisha (Uganda) participated in meetings of the Committee before their formal election by the Assembly, which was held under silence procedure further to a decision confirmed in a letter dated 29 April from the President of the Assembly. On 4 May, the Secretary-General informed the Committee of the passing of Reinaldo Storani (Brazil), and the members of the Committee expressed their condolences and observed a moment of silence in his memory.

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.



4. At its meeting on 30 March 2021, the Committee took note of the adoption by the Assembly on 31 December 2020 of decision [ISBA/26/A/19](#) relating to the budget of the Authority for the financial period 2021–2022. The Committee adopted a revised agenda ([ISBA/26/FC/1/Rev.1](#)) to incorporate the additional matters requiring its consideration in 2021, namely, implementation of the budget for the financial period 2019–2020, audit reports for 2019–2020, report on costs associated with the use of the Jamaica Conference Centre, report on the costs of participation by the Authority in the United Nations common system of organizations and appointment of an auditor.

II. Implementation of the budget for the financial period 2019–2020

5. On 18 May, the Committee took note of a report on the implementation of the budget for the financial period from 1 January 2019 to 31 December 2020. The report showed total expenditure of \$18,032,051 against an approved budget provision of \$18,235,850. The secretariat presented information on budget lines with significant variation between planned and actual expenditure. The Committee requested and received clarifications on various matters, such as common staff costs and costs associated with the additional meetings of the Legal and Technical Commission and the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract under article 13, paragraph 1, of annex III to the United Nations Convention on the Law of the Sea and section 8 of the annex to the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, as well as increases in rental and support equipment costs.

III. Audit report for 2019 and 2020

6. The Committee considered the audit report for 2020 prepared by the auditor Ernst and Young. It noted with satisfaction that the Authority had received an unqualified audit report. The secretariat informed the Committee that, following the audit observations made in 2019, an independent actuary had provided an International Public Sector Accounting Standards 39-compliant valuation of post-employment benefit obligations, which had been accepted by the auditor.¹

IV. Rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area pursuant to section 9, paragraph 7 (f), of the annex to the 1994 Agreement

7. The Committee continued its discussion on the development of rules, regulations, and procedures on equitable sharing of financial and other economic benefits derived from activities in the Area. It recalled that, in 2019 and 2020, it had requested and been presented by the secretariat with reports that evaluated three alternative formulae for the fair and equitable allocation of any given sum of royalties available for distribution. The Committee had also requested, and been provided with,

¹ Accounting for employee benefits resulted in a net defined benefit liability of \$2.203 million as at 31 December 2020, \$2.140 million as at 31 December 2019 and \$1.910 million as at 31 December 2018.

a web-based model to enable it to visualize and compare the impact of each formula on payments to members of the Authority under different scenarios.

8. The Committee considered whether an alternative or supplemental approach might be to establish a global fund to support global public goods, investment in human and physical capital or deep-sea research, and conservation. Consequently, it requested the secretariat to prepare a report further developing the concept of a global fund. In response, the secretariat, with the assistance of consultancy firm SDP Consult, prepared a report in 2021 on the structure and purpose of a “seabed sustainability fund”, which was considered by the Committee on 30 and 31 March.

9. The Committee also took note of a report of the Secretary-General ([ISBA/26/FC/8](#)) in which he had identified the proposed scope, purpose and structure of the seabed sustainability fund. It discussed the types of activities that could be potentially financed by the fund, such as: (a) projects to support specific actions identified by the members of the Authority through its strategic plan and high-level action plan; (b) projects proposed by members of the Authority and third parties through co-financing; and (c) the co-financing of the Enterprise through investments or loans. Having considered the various reports prepared for its consideration, the Committee reached the conclusion that it was timely to report its findings and considerations to the Council and the Assembly, with a view to seeking guidance on how to proceed. The report of the Committee to the Council and the Assembly on the issue of the equitable sharing of benefits, which summarizes all work done by the Committee on that issue between 2019 and 2021, was submitted as document [ISBA/26/A/24-ISBA/26/C/39](#).

V. Status of contributions and related matters, including indicative scale of assessed contributions of members of the Authority to the administrative budget for the financial period 2021–2022

10. On 30 June 2021, the Committee was provided with an updated report on the status of contributions to the budget of the Authority. The Committee noted that, as at 10 June 2021, 74.7 per cent (\$5,557,815) of contributions to the 2021 budget had been received. It was also noted that 58.8 per cent of the members of the Authority had paid in full and that 15.9 per cent had partially paid their assessed contributions for 2021, leaving an outstanding balance of \$1,879,828.

11. The Committee expressed its concern over the amount of arrears and the large number of members in arrears for more than two years, amounting to a total of \$992,251, or 10.79 per cent of the budget. The Committee therefore urged the Secretary-General to continue his efforts to collect outstanding contributions from members of the Authority, including by facilitating discussions with the members concerned to address and resolve the issue of outstanding arrears.

12. The Committee was also provided with an updated report on the status of the Working Capital Fund. As at 30 May 2021, the balance of the Fund was \$670,805, with outstanding contributions of \$5,385 for 2021 and a further \$73,810 to be collected in the financial period 2023–2024.

VI. Status of the trust funds of the Authority and related matters

13. The Committee took note of an updated report on the status of the trust funds of the Authority.

A. Endowment Fund for Marine Scientific Research in the Area

14. As at 30 May 2021, the Endowment Fund for Marine Scientific Research in the Area had a total capital (including accumulated interest) of \$4,516,733, while available funds (i.e. interest less expenditure) stood at \$362,957. The balance will be available for use upon completion of the review of the terms of reference of the Fund, in accordance with the decision of the Assembly of December 2020 ([ISBA/26/A/18](#)).

B. Voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee

15. As at 30 May 2021, the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries had a balance of \$92,504. During 2021, contributions were received from France (\$20,000), the Philippines (\$7,500), DeepGreen Metals Inc. (\$15,000) and four contractors that made optional voluntary contributions of \$6,000 each.

C. Voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council

16. As at 30 May 2021, the balance of the voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council stood at \$20,579.

D. Trust fund for extrabudgetary support for the International Seabed Authority

17. As at 30 May 2021, the trust fund for extrabudgetary support for the International Seabed Authority had a balance of \$1,112,475.

E. Voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise

18. As at 30 May 2021, the voluntary trust fund for the purpose of providing the requisite funds related to the work of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise had a balance of \$11,068. It is worth noting that the original budget proposal prepared by the

Secretary-General for the financial period 2021–2022 included a supplementary budget provision for the Enterprise (ISBA/26/A/5-ISBA/26/C/18, chap. IV). The Committee decided to reconsider the matter at its meetings in 2021, taking account of any recommendation by the Council. The secretariat clarified that the financial provision for the Enterprise had not been included in the budget proposal for the financial period 2021–2022 as finally submitted to the Council and Assembly and subsequently adopted (ISBA/26/A/5/Add.1/Rev.2-ISBA/26/C/18/Add.1/Rev.2).

VII. Report on costs associated with the use of the Jamaica Conference Centre

19. The Committee was provided with a report on the costs associated with the use of the Jamaica Conference Centre, in compliance with its request made in 2020. The Committee noted that the Centre had no published rates for cost, which made it difficult to establish whether the Authority was being provided with the most favourable rates, bearing in mind that, under the Supplementary Agreement between the International Seabed Authority and the Government of Jamaica regarding the Headquarters of the International Seabed Authority and the Use of the Jamaica Conference Centre Complex, rates applied to the Authority for its use of the Centre must not be less favourable than those applicable to the Government, its agencies or any other local organizations or bodies (art. 9 (2)). The report also highlighted that the highest costs borne by the Authority stemmed from the maintenance of the audio system for the rooms provided by the Conference Centre, which were borne in addition to the payment by the Authority of rental for the rooms.

20. The Committee expressed concerns over the very high costs associated with the use of the Conference Centre and requested the secretariat to continue to liaise with the Government of Jamaica over the increases in costs and to report on the progress achieved at its following meeting.

VIII. Report on the costs of participation by the Authority in the United Nations common system of organizations

21. The Committee took note of a report on the increases in the costs associated with the participation of the Authority in the United Nations common system. It was noted that some of the costs charged by the United Nations common system were constantly increasing and that the secretariat had no control over such costs. In particular, the cost of participation in the United Nations Appeals Tribunal would increase from \$9,600 per case to \$16,778 per case in 2021. The Secretary-General also highlighted underlying legal issues relating to the Authority's participation in the United Nations system of administration of justice, which might have future financial and budgetary implications. He informed the Committee that the Office of Legal Affairs was addressing the issue and that the Committee might need to revisit the matter in future.

IX. Appointment of an auditor

22. The Committee was invited to select an independent auditor for the period 2021–2022, pursuant to regulation 12 of the Financial Regulations of the Authority. The Committee was informed that bids had been solicited from the three

internationally recognized independent auditing firms based in Jamaica² in December 2020. However, only the current auditor, Ernst and Young, had submitted a proposal.

23. The Committee suggested that, considering the limited number of international auditing firms in Jamaica, the Assembly may in future wish to consider the possibility to engage the Board of Auditors of the United Nations, possibly every 5 to 10 years. It was noted, however, that this would have significant financial and budgetary implications. The secretariat was requested to provide a cost comparison between the United Nations and private auditing for consideration by the Committee in 2022.

24. For the period 2021–2022, the Committee recommends the appointment of Ernst and Young as the independent auditor.

X. Other matters

Report on future financing of the International Seabed Authority

25. The Committee was presented with a report of the Secretary-General (ISBA/26/FC/7) in which he highlighted the historical progression of the budget of the Authority and projections based on the evolution of the responsibilities of the Authority anticipated over the next 10 years, as activities in the Area transitioned from exploration to exploitation, and in compliance with the “evolutionary approach” prescribed by the Convention.

26. The Committee took note of the steps taken by the Secretary-General to increase the capacity of the secretariat to perform the regulatory functions expected and required of the Authority in order to be adequately prepared for the exploitation phase. The Committee was informed of the establishment of the Compliance Assurance and Regulatory Management Unit, the funding of which would involve upfront costs, such as for processing applications for plans of work for exploration and exploitation, overseeing the activities of contractors, processing the reports, data and information submitted by contractors, and supporting the systematic publication and ongoing review of standards and guidelines. The receipt of an application for a plan of work would equally entail additional upfront costs, as there would be a need to organize extra meetings of the Legal and Technical Commission.

27. In his report, the Secretary-General noted that, in order to ensure the adoption of a robust and holistic regulatory framework for exploitation by the Council, more financial resources were required to accelerate work on the draft regulations. Consequently, there would be a need to increase the number of in-person meetings of the Council in 2022 by splitting its session into 2 three-week-long parts. In the event that savings could be realized from the overall conference services budget for the financial period 2021–2022, a third set of meetings of the Council in 2022 could also be considered.

28. The budget of the Authority for the financial period 2021–2022 is based on a scenario of eight weeks (42 days) of meetings with full services, as follows: Assembly (5 days), Council (12 days), Legal and Technical Commission (20 days) and Finance Committee (5 days). Within that overall cap, meeting days may be reassigned among organs with no financial impact.

29. It is likely that additional resources will also be needed for the voluntary trust fund to support the participation of members of the Council from developing States in additional meetings of the Council. On the assumption that three sets of meetings

² Ernst and Young, KPMG and PwC.

of the Council would take place in 2022, the Secretary-General estimated that the additional requirement for the fund would be about \$130,000.

30. The Committee discussed the report thoroughly and considered its significant implications for future budget negotiations, including cross references to its work on the issue of equitable sharing of benefits. The Committee will continue to remain seized of the matter.

XI. Recommendations of the Finance Committee

31. In view of the foregoing, the Committee recommends that the Council and the Assembly of the Authority:

(a) Urge the members of the Authority to pay as soon as possible their assessed contributions to the budget, on time and in full;

(b) Appeal to members of the Authority with outstanding contributions, including from previous years, to pay them as soon as possible;

(c) Take note of the estimated financial and budgetary implications associated with the expected evolution of the Authority in the next 5 to 10 years and the need to ensure that it is equipped with the capacity and resources necessary to fulfil its obligations under the Convention and the 1994 Agreement;

(d) Approve the appointment of Ernst and Young as auditor for the Authority for the financial period 2021–2022;

(e) Examine the report of the Committee on the issue of the equitable sharing of benefits ([ISBA/26/A/24-ISBA/26/C/39](#)) and give guidance to the Committee with regard to the questions contained in its annex II.



Assembly

Distr.: General
26 November 2020

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Twenty-sixth session

Kingston, 27–31 July 2020*

Item 20 of the agenda**

Other matters

Decision of the Assembly to name the museum of the International Seabed Authority in honour of Nii Allotey Odunton

The Assembly of the International Seabed Authority,

Recalling the decision of the Assembly taken at its fourteenth session to name the library of the Authority the Satya N. Nandan Library in honour of the first Secretary-General,¹

Recalling also the proposal of the Group of African States presented to the Assembly at its twenty-fourth session to name the museum of the Authority after the second Secretary-General of the Authority, Nii Allotey Odunton, in recognition of his contribution to the work of the Authority,²

Welcoming the establishment in 2019 of a deep-sea exploration museum at the headquarters of the Authority as a public resource to provide information on the history of the law of the sea and deep-ocean exploration, and expressing appreciation for the donations of exhibits to the museum by members, contractors and individuals,

Recognizing the contribution of the second Secretary-General of the Authority to the advancement of the Authority's mandate,

Decides to name the museum of the Authority the Nii Allotey Odunton Museum.

* Original dates. The meeting has been postponed sine die.

** [ISBA/26/A/1](#).

¹ [ISBA/14/A/13](#), para. 18.

² [ISBA/24/A/12](#), para. 26.





Assembly

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3 December 2020

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Twenty-sixth session

Kingston, 27–31 July 2020*

Agenda item 17

Election of the Secretary-General, in accordance with article 166, paragraph 2, of the United Nations Convention on the Law of the Sea

Decision of the Assembly of the International Seabed Authority concerning the election of the Secretary-General of the International Seabed Authority

The Assembly of the International Seabed Authority,

Acting in accordance with article 160, paragraph 2 (b), of the United Nations Convention on the Law of the Sea,¹

Elects Mr. Michael William Lodge (United Kingdom of Great Britain and Northern Ireland) as Secretary-General of the International Seabed Authority for a four-year term from 1 January 2021 to 31 December 2024.

* Original dates. The meeting has been postponed sine die.

¹ United Nations, *Treaty Series*, vol. 1833, No. 31363.





Assembly

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17 December 2020

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Twenty-sixth session

Kingston, 27–31 July 2020*

Agenda item 12

Report of the Secretary-General on the contribution of the International Seabed Authority to the United Nations Decade of Ocean Science for Sustainable Development

Decision of the Assembly relating to the action plan of the International Seabed Authority in support of the United Nations Decade of Ocean Science for Sustainable Development

The Assembly of the International Seabed Authority,

Recalling its decision to adopt the strategic plan and the high-level action plan of the Authority for the period 2019–2023,¹

Recalling also that, at its seventy-second session, in 2017, the General Assembly proclaimed the United Nations Decade of Ocean Science for Sustainable Development from 2021 to 2030,²

Acknowledging the important and fruitful partnership established between the Authority and the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization that has been formalized by the signing of a memorandum of understanding,³

Emphasizing that the vision of the Authority for the promotion and encouragement of marine scientific research in the Area is established in compliance with the United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 in the strategic plan and the high-level action plan of the Authority for the period 2019–2023,⁴

Considering that nine strategic directions of the strategic plan of the Authority have substantial implications for advancing marine scientific research in the Area and that the high-level action plan identifies 12 high-level actions and 14 associated

* Original dates. The meeting has been postponed sine die.

¹ [ISBA/24/A/10](#) and [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#).

² Resolution 72/73.

³ Signed in May 2000; see [ISBA/6/A/9](#), para. 13.

⁴ See [ISBA/24/A/10](#), para. 29, and [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#), paras. 18–21.



outputs, all of which have direct relevance to the objectives of the United Nations Decade of Ocean Science for Sustainable Development,

Considering also that the content of the action plan will continue to evolve as new strategic research priorities are identified and endorsed by the members of the Authority, including through the review process of the strategic plan and the high-level action plan of the Authority for the period 2019–2023,

Adopts the action plan in support of the United Nations Decade of Ocean Science for Sustainable Development, as contained in the annex to the present decision.

Annex

Action plan of the International Seabed Authority in support of the United Nations Decade of Ocean Science for Sustainable Development

I. Introduction

1. Marine scientific research in the Area is to be carried out for peaceful purposes and for the benefit of mankind as a whole (United Nations Convention on the Law of the Sea, art. 143 (1)). All States have the right to conduct marine scientific research in the Area (*ibid.*, art. 256). Pursuant to article 143, paragraph 3, of the United Nations Convention on the Law of the Sea, States parties shall promote international cooperation in marine scientific research in the Area by participating in international programmes and encouraging cooperation in marine scientific research by personnel of different countries and of the International Seabed Authority.

2. The Authority is required, under the Convention and the 1994 Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, to promote and encourage the conduct of marine scientific research in the Area, as well as coordinate and disseminate the results of scientific research and analysis, when available (*ibid.*, art. 143 (2)). It may also carry out marine scientific research concerning the Area. As part of its responsibilities, the Authority also has the duty to encourage appropriate programmes to be designed and implemented for the benefit of developing States and technologically less developed States, with a view to: (a) strengthening their research capabilities; (b) training their personnel in the techniques and applications of research; and (c) fostering the employment of their qualified personnel in research in the Area (*ibid.*, art. 143 (3)).

3. This action plan has been developed on the basis of the strategic directions, high-level actions and associated outputs adopted by the members of the Authority through the adoption of the strategic plan (ISBA/24/A/10, annex) and the high-level action plan (ISBA/25/A/15 and ISBA/25/A/15/Corr.1) for the period 2019–2023.

II. Contribution of the Authority to the United Nations Decade of Ocean Science for Sustainable Development

4. The importance of the United Nations Decade of Ocean Science for Sustainable Development is emphasized in the context of the strategic plan and the high-level action plan of the Authority for the period 2019–2023. Both documents recognize the commitment of the Authority to contribute to the achievement of relevant goals and targets of the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal 14 (Conserve and sustainably use the oceans, seas and marine resources).

5. High-level action 1.2.2 identifies the need to “cooperate with the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization in the planning and implementation of the United Nations Decade of Ocean Science for Sustainable Development, in particular on matters relating to the conduct of marine scientific activities in the Area”. Strategic direction 4.3 further requires the Authority to “Strengthen and, as appropriate, establish strategic alliances and partnerships with relevant subregional, regional or global organizations, including the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization ... to share data and information in an open and transparent manner, avoid the duplication of efforts

and benefit from synergies, for example, by aligning with the United Nations Decade of Ocean Science for Sustainable Development”.

6. The Authority has long cooperated with the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (IOC-UNESCO), which was formalized through the signing of a memorandum of understanding between the two organizations in 2000, with a view to creating the enabling conditions to further strengthen the existing partnership to better meet the needs of their members.

7. It is in this context that the Authority, building on the existing frameworks and strategic directions endorsed by the Assembly in 2018 and 2019, has identified a series of specific outputs aimed at supporting the implementation of the United Nations Decade of Ocean Science for Sustainable Development and the achievement of the scientific objectives and societal outcomes identified (see enclosure).

1. Strategic research priorities

8. Pursuant to the role and responsibilities assigned to the Authority under the Convention and the Agreement in relation to the conduct of marine scientific research in the Area, and in line with the strategic directions, high-level actions and associated outputs contained in the strategic plan and the high-level action plan of the Authority for the period 2019–2023, particular emphasis will be placed on the following strategic research priorities:

(a) Strategic research priority 1: Advancing scientific knowledge and understanding of deep-sea ecosystems, including biodiversity and ecosystems functions, in the Area;

(b) Strategic research priority 2: Standardizing and innovating methodologies for deep-sea biodiversity assessment, including taxonomic identification and description, in the Area;

(c) Strategic research priority 3: Facilitating technology development for activities in the Area, including ocean observation and monitoring;

(d) Strategic research priority 4: Enhancing scientific knowledge and understanding of potential impacts of activities in the Area;

(e) Strategic research priority 5: Promoting dissemination, exchange and sharing of scientific data and deep-sea research outputs and increasing deep-sea literacy;

(f) Strategic research priority 6: Strengthening deep-sea scientific capacity of Authority members, in particular developing States.

2. Capacity-building/development and transfer of technology

9. Another unique feature of the mandate given to the Authority under the Convention and the Agreement when it comes to promoting and encouraging marine scientific research in the Area lies in the obligation to contribute to the development of scientific and technical capacities of developing States members of the Authority. Pursuant to the Convention, all States parties are automatically members of the Authority and have the obligation to develop and carry out, including under the auspices of the Authority (United Nations Convention on the Law of the Sea, art. 143 (3)), dedicated training programmes and technical assistance and scientific cooperation programmes with regard to activities in the Area in marine science and technology and the protection of the marine environment (*ibid.*, art. 148; Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, annex, sect. 5 (1) (c)) for the “benefit of developing States” (United Nations Convention on the Law of the Sea, art. 143 (3)).

10. Another particular element of the legal regime for the Area is the obligation for contractors to draw up practical programmes for the training of personnel of the Authority and developing States, including the participation of such personnel in all activities in the Area that are covered under the contract (*ibid.*, annex III, art. 15). Furthermore, the Authority has progressively developed several other mechanisms aimed at operationalizing the requirements set out under international law, including, for example, the Endowment Fund for Marine Scientific Research in the Area and the internship programme. In 2018, the Authority launched the first edition of the Secretary-General's Award for Excellence in Deep-Sea Research. Recent initiatives such as the Abyssal Initiative for Blue Growth project, implemented by the Authority and the Department of Economic and Social Affairs, and the Africa Deep Seabed Resources project, implemented by the Authority in partnership with the African Union and the Norwegian Agency for Development Cooperation, have also proved to be very successful in developing the capacities of developing States members of the Authority in the field of marine scientific research.

11. Since 2017, special emphasis has also been placed on the commitment made by the Authority at the United Nations conference to enhancing the role of women from developing States in marine scientific research programmes in the Area. To date, such commitment has resulted in the training of 133 women from developing States.

12. It is envisaged that all these initiatives, as they progress and are reinforced, will contribute significantly to achieving the societal outcomes of the United Nations Decade of Ocean Science for Sustainable Development. Such initiatives will also probably be more successful and will better reflect the societal objectives to be achieved if they also reflect the priority needs identified by the members of the Authority.

3. Communications and stakeholder engagement

13. Transparency is an essential element of good governance and, therefore, a fundamental guiding principle for the Authority in the conduct of its activities. Accordingly, the Authority will continue to engage all stakeholders in the development and implementation of activities identified in the present action plan that are necessary to meet the strategic directions and high-level actions identified in the strategic plan and the high-level action plan for the period 2019–2023.

4. Implementation, monitoring and review of the International Seabed Authority action plan

14. The secretariat of the Authority will continue to actively participate in the preparations and implementation of the United Nations Decade of Ocean Science for Sustainable Development, through bilateral cooperation with IOC-UNESCO and through UN-Oceans.

15. The secretariat will also continue to report progress under the annual report presented by the Secretary-General to the Assembly of the Authority. The Secretary-General also provides information on the activities of the Authority to the Meeting of States Parties to the United Nations Convention on the Law of the Sea and makes an annual statement to the United Nations General Assembly under the agenda item "oceans and the law of the sea".

16. The secretariat will develop appropriate mechanisms for monitoring and review to enable this action plan to stay aligned with the needs of Authority members, as well as the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development and the scientific objectives of the United Nations Decade of Ocean Science for Sustainable Development.

Enclosure

Relevant strategic directions and high-level actions and associated short-term and long-term scientific outputs of the International Seabed Authority in support of the United Nations Decade of Ocean Science for Sustainable Development

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
1.	Realize the role of the Authority in a global context			
1.2	Establish and strengthen strategic alliances and partnerships with relevant subregional, regional and global organizations with a view to more effective cooperation in the conservation and sustainable use of ocean resources, consistent with the United Nations Convention on the Law of the Sea and international law, including the pooling of resources and funding, where appropriate, in particular in connection with marine scientific research, to avoid the duplication of efforts and to benefit from synergies	1.2.2. Cooperate with the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization in the planning and implementation of the United Nations Decade of Ocean Science for Sustainable Development, in particular on matters relating to the conduct of marine scientific activities in the Area	<ul style="list-style-type: none"> • Specific role and mandate of the Authority in relation to marine scientific research reflected in the implementation plan of the United Nations Decade • Contribution of the Authority to the implementation of the United Nations Decade monitored through implementation of the Authority's dedicated action plan • Authority collaborative centre on deep-sea research established 	<ul style="list-style-type: none"> • Importance & value of the Authority's contribution to the achievement of the United Nations Decade's scientific objectives and societal outcomes identified and addressed • Satisfactory delivery of joint and coordinated actions through Authority collaborative centre on deep-sea research undertaken
3.	Protect the marine environment			
3.3	Ensure public access to environmental information, including environmental information from contractors, and participation by stakeholders, as appropriate	3.3.1. Facilitate public access to non-confidential information	<ul style="list-style-type: none"> • User-friendly access pathways to and functionalities of Deep Data aligned with innovations in web-based technology 	<ul style="list-style-type: none"> • Deep Data fully operational as primary global database for geological and environmental data and information on the Area and effectively used by relevant stakeholders

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
3.4	Develop scientifically and statistically robust monitoring programmes and methodologies to assess the potential risk for activities in the Area to interfere with the ecological balance of the marine environment	3.4.1. Establish robust monitoring programmes and methodologies to assess the potential risks that activities in the Area interfere with the ecological balance of the marine environment	<ul style="list-style-type: none"> • Standard operating procedures for collection of environmental data related to activities in the Area developed • Analysis and synthesis of environmental data collected by contractors, scientific communities and other competent organizations in the Area undertaken to support the development of regional environmental management plan and the assessment of effects of activities in the Area 	<ul style="list-style-type: none"> • Assessment of the potential risks for activities in the Area significantly improved as a result of the establishment of scientifically and statistically robust monitoring programmes and methodologies • Standardized and coherent approaches in the collection and analysis of environmental data for the Area ensured
		3.4.2. Keep under review the adequacy of the monitoring programmes and methodologies	<ul style="list-style-type: none"> • Adequacy of monitoring programmes and methodologies ensured through compilation, analysis and systemic synthesis of historical and current baseline and monitoring data • Regional environmental assessments produced for selected regions of the Area and widely disseminated 	<ul style="list-style-type: none"> • Protection of the marine environment from potential risks of activities in the Area ensured as a result of strengthened monitoring programmes and methodologies established by the Authority • Understanding of status of the marine environment in the Area improved • Global long-term assessment on the state of mineral resources and the marine environment in the Area produced and

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
				disseminated to the Authority stakeholders on regular basis
		3.4.3. Encourage and facilitate strategic partnerships to support the work of the Authority in developing robust monitoring programmes and methodologies	<ul style="list-style-type: none"> • Global exchange and sharing platform on environmental monitoring established among contractors and relevant scientific communities 	<ul style="list-style-type: none"> • Environmental monitoring and management technology significantly improved as a result of the establishment of sustainable partnerships with all relevant stakeholders
3.5	Develop appropriate regulations, procedures, monitoring programmes and methodologies to prevent, reduce and control pollution and other hazards to the marine environment, as well as interference with the ecological balance of the marine environment, prevent damage to the flora and fauna of the marine environment and implement the relevant requirements relating to the protection of the marine environment as contained in part XII of the Convention	3.5.1. Monitor, through cooperation with contractors, sponsoring States and other stakeholders, pollution and hazards to the marine environment from seabed activities undertaken in the Area	<ul style="list-style-type: none"> • Monitoring of potential pollution and other hazards from seabed activities in the Area improved, including through predictive modelling and other scientific approaches 	<ul style="list-style-type: none"> • Global understanding of potential risks associated with seabed activities in the Area improved
		3.5.2. Keep under review regulations, procedures, monitoring programmes and methodologies to prevent, reduce and control pollution and other hazards to the marine environment, as well as interference with the ecological balance of the marine environment, to prevent damage to the flora and fauna of the marine environment	<ul style="list-style-type: none"> • Appropriate scientific criteria for the elaboration of rules, standards and recommended practices and procedures for the prevention, reduction and control of pollution of the marine environment from activities in the Area established • Standardized scientific tools and approaches for assessing rare or fragile ecosystems and the habitat of depleted, threatened or endangered 	<ul style="list-style-type: none"> • Scientific capabilities of the Authority to predict environmental changes and harmful effects from activities in the Area improved and fully operational, in partnership with contractors and scientific communities • International requirements relating to the protection of the marine environment from harmful effects of activities in the Area better implemented as a

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
			<p>species and other forms of marine life in the Area, identified and consolidated</p> <ul style="list-style-type: none"> • Environmental data and scientific knowledge processed to inform the implementation of management measures to prevent, reduce and control harmful effects from potential activities in the Area 	<p>result of improved scientific information and knowledge, strengthened partnerships and cooperation</p>
		<p>3.5.3. Implement the relevant requirements relating to the protection of the marine environment as contained in part XII of the Convention</p>	<ul style="list-style-type: none"> • Assessment of the nature and extent of pollution, exposure to it, and its pathways, risks and remedies is enhanced as a result of cooperation in studies, programmes of scientific research and exchange of information and data concerning pollution of the marine environment from activities in the Area • Scientific and technical capacity of developing States for the purposes of prevention, reduction and control of pollution of the marine environment from activities in the Area or minimization of its effects enhanced 	<ul style="list-style-type: none"> • Pollution from activities in the Area minimized to the fullest possible extent • Rare or fragile ecosystems and the habitat of depleted, threatened or endangered species and other forms of marine life in the Area protected and preserved • Implementation of relevant provisions of Part XII of the Convention improved as a result of enhanced cooperation in studies, programmes of scientific research and exchange of information and data and strengthened scientific and technical capacities of developing States

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
		3.5.4. Encourage and facilitate strategic partnerships to support the work of the Authority in developing regulations, procedures, monitoring programmes and methodologies	<ul style="list-style-type: none"> • Strategic scientific partnership established with various stakeholders, including contractors, to support the development of regulations, procedures, monitoring programmes and methodologies 	<ul style="list-style-type: none"> • Strengthened scientific partnerships with various stakeholders, including contractors, result in improved implementation of environmental regulations, procedures, monitoring programmes and methodologies
4.	Promote and encourage marine scientific research in the Area			
4.1	Continue to promote and encourage the conduct of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental effects of activities in the Area	4.1.1. Actively promote and encourage the conduct of marine scientific research with respect to activities in the Area	<ul style="list-style-type: none"> • Marine scientific research programmes and activities in the Area increased • Partnership platform for promoting and encouraging the conduct of marine scientific research in the Area established in collaboration with IOC-UNESCO, other competent international organizations and relevant international scientific bodies 	<ul style="list-style-type: none"> • Global knowledge of marine biodiversity and resources assessment significantly improved as a result of increased marine scientific research in the Area
		4.1.2. Promote and encourage research related to the environmental effects of activities in the Area	<ul style="list-style-type: none"> • Global deep ocean observing programmes/ initiatives facilitated by the Authority developed and operated in collaboration with all relevant stakeholders 	<ul style="list-style-type: none"> • Marine scientific research in the Area and the dissemination of its results are enhanced and sustainably financed to improve knowledge base on biodiversity, ecosystem functioning and resilience of deep-sea life to

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
				changing marine environment
		4.1.3. Establish strategic alliances and partnerships with Governments, international organizations, contractors and other relevant stakeholders to advance research related to the environmental effects of activities in the Area	<ul style="list-style-type: none"> • Scientific research related to the environmental effects of activities in the Area improved as a result of increased strategic alliances and partnerships • Collaborative platforms created for generation and dissemination of scientific knowledge and sharing of scientific expertise on assessing environmental effects of activities in the Area, among contractors, scientific communities and other stakeholders 	<ul style="list-style-type: none"> • Global understanding and knowledge of the deep-sea environment significantly improved as a result of marine scientific research in the Area coordinated by the Authority
4.2	Collect and disseminate the results of research and analysis, when available	4.2.1. Enhance the collection, compilation, analysis and synthesis of the results of research and analysis, when available, in particular from contractors, including through the Authority's database as the principal repository for data and information related to the deep seabed and associated water column	<ul style="list-style-type: none"> • Availability of research results and analysis significantly improved as a result of the development and use of innovative tools • Data management strategy for Deep Data effectively implemented 	<ul style="list-style-type: none"> • Innovative, cost-effective and practically applicable tools and methodologies (e.g., automated processing and deep learning) developed and applied for biodiversity assessment • Deep Data functional as primary global open access database on all related environmental data and information collected in the Area

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
		4.2.2. Ensure the dissemination of the results of research and analysis, when available, in a timely manner	<ul style="list-style-type: none"> • Available scientific research results and analysis related to activities in the Area systematically compiled and disseminated • Geospatial analysis functionalities of Deep Data enhanced to meet the diverse needs of stakeholders 	<ul style="list-style-type: none"> • Global decision-making processes better informed as a result of improved collection and dissemination of research results and analysis related to the environmental effects of activities in the Area • Global knowledge and understanding of the Area's environment and resources significantly advanced as a result of systematic dissemination of available research result and analysis by the Authority • Decision-making processes better informed and equipped to take the most appropriate measures for the sustainable development of resources and protection of marine environment from harmful effects of activities in the Area
4.3	Strengthen and, as appropriate, establish strategic alliances and partnerships with relevant subregional, regional and global organizations, including the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, the International Atomic	4.3.1. Establish and enhance partnerships for improved sharing of data and information	<ul style="list-style-type: none"> • Increased number of partnerships established to improve sharing of data and information among multiple archival systems of ocean-related information, including physical, chemical, 	<ul style="list-style-type: none"> • Data set interoperability ensured for long-term continuous data-sharing with other international database holders and with a view to supporting coherent collection and

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
	<p>Energy Agency and the International Hydrographic Organization and collaborative programmes such as the European Union joint programming initiative on healthy and productive seas and oceans, to share data and information in an open and transparent manner, avoid the duplication of efforts and benefit from synergies, for example, by aligning with the United Nations Decade of Ocean Science for Sustainable Development, which will address knowledge gaps to be identified by the First Global Integrated Marine Assessment (World Ocean Assessment I)</p>	<p>4.3.2. Raise awareness of the Authority's database as the primary repository for data and information related to the deep seabed and associated water column, and its potential contribution to the advancement of global knowledge and understanding of the deep sea, including in the context of the United Nations Decade of Ocean Science for Sustainable Development</p> <p>4.3.3. Build up, enhance and expand the Authority's database and facilitate the production of data analysis and synthesis through partnerships with various scientific partners</p>	<p>biological and geological data and associated sampling metadata</p> <ul style="list-style-type: none"> • Global awareness of the nature and content of Deep Data increased, in particular its geospatial data management component • Development of information products and data-sharing functionalities enhanced in Deep Data • Standardized Deep Data reporting module developed and applied • Deep Data partnership with Ocean Biodiversity Information System/IOC-UNESCO on biodiversity data and with International Hydrographic Organization/Seabed 2030 on bathymetric data established 	<p>management of data sets at the global level</p> <ul style="list-style-type: none"> • Global knowledge and understanding of the Area's environment and resources significantly advanced as a result of increased access to and use of data and information, including geospatial data and information related to the deep seabed and associated water column, contained in Deep Data • Real-time or near real-time data analysis, synthesis and visualization tools and functionalities for Deep Data developed and operational in collaboration with contractors, competent international organizations and scientific communities • Data set interoperability ensured for long-term continuous data sharing with other international database holders and with a view to supporting coherent collection and

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
4.4	Be proactive in engaging with the international scientific community through workshops and sponsored publications and by promoting access to non-confidential information and data, in particular those data relating to the marine environment	4.4.1. Promote and strengthen partnerships with the international scientific community, including by involving it in workshops and technical publications	<ul style="list-style-type: none"> • Engagement with international scientific communities enhanced through new and fostered collaborative initiatives and programmes • Synthesis of scientific data and information on marine environment contained in Deep Data and assessment of critical data gaps undertaken through various collaborative activities with contractors and scientific communities 	<p>management of data sets at the global level</p> <ul style="list-style-type: none"> • Contribution of the Authority to enabling access to non-confidential information and data as a means to achieve the United Nations Decade's scientific objectives and expected outcomes fully recognized and materialized
		4.4.2. Promote and facilitate access to non-confidential information and data related to the marine environment	<ul style="list-style-type: none"> • User-friendly access pathways to and functionalities of Deep Data established • Increased access to and use of Deep Data by diverse stakeholders (including the Authority-China joint training and research centre), in collaboration with IOC/UNESCO and other scientific partners, facilitated through the offering of relevant training opportunities, in particular on biodiversity data using the Ocean 	<ul style="list-style-type: none"> • Deep Data functional as primary global open access database on all related environmental data and information collected in the Area • Global knowledge and understanding of marine environment of the Area enhanced as a result of improved access by stakeholders to non-confidential information and data contained in Deep Data

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
4.5	Compile summaries of the status of environmental baseline data and develop a process to assess the environmental implications of activities in the Area (Convention, art. 165 (2) (d))	4.5.1. Compile summaries of the status of environmental baseline data	<p data-bbox="1251 220 1535 277">Biodiversity Information System</p> <ul data-bbox="1251 306 1535 526" style="list-style-type: none"> • Regional environmental assessment report and data report produced in relation to the development of regional environmental management plans 	<ul data-bbox="1577 306 1902 667" style="list-style-type: none"> • Global knowledge and understanding of potential environmental impacts of activities in the Area improved • Global outlook on the state of mineral resources and the marine environment in the Area produced and regularly updated
		4.5.2. Develop processes to assess the environmental implications of activities in the Area and disseminate and publish, as appropriate, the results of any such assessment	<ul data-bbox="1230 695 1545 914" style="list-style-type: none"> • Predictive modelling and other scientific approaches undertaken to assess the potential impacts of pollution and other hazards from activities in the Area 	<ul data-bbox="1577 695 1902 914" style="list-style-type: none"> • Scientific knowledge basis that enables the Authority to fully implement its mandate for addressing environmental impacts of activities in the Area
5.	Build capacity for developing States			
5.1	Ensure that all capacity-building programmes and measures and their delivery are meaningful, tangible, efficient, effective and targeted at the needs of developing States, as identified by developing States	5.1.1. Assist developing States, in particular geographically disadvantaged States, small island developing States, least developed countries and landlocked developing countries, in identifying their needs	<ul data-bbox="1230 992 1545 1396" style="list-style-type: none"> • Priority needs of developing States members of the Authority, in particular for geographically disadvantaged States, small island developing states, least developing States and landlocked developing countries, in relation to marine scientific research in the Area identified 	<ul data-bbox="1577 992 1902 1179" style="list-style-type: none"> • Capacities of developing States members of the Authority, in relation to marine scientific research in the Area, significantly improved

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
		5.1.2. Adjust capacity-building programmes as necessary to meet the needs of developing States	<ul style="list-style-type: none"> Capacity-building/development programmes in relation to marine scientific research in the Area systematically adjusted to meet the needs identified by developing States members of the Authority 	<ul style="list-style-type: none"> Contribution of the Authority's capacity-building/development programmes to meet the needs of developing States members of the Authority in relation to marine scientific research in the Area, established
		5.1.3. Undertake regular assessments of the effectiveness and relevance of capacity-building programmes and initiatives implemented by the Authority	<ul style="list-style-type: none"> Effectiveness and relevance of the Authority capacity-building programmes and initiatives in relation to marine scientific research in the Area systematically assessed 	
5.2	Seek and maximize funding opportunities for the Endowment Fund for Marine Scientific Research in the Area and its beneficiaries, together with participation in global financing mechanisms	5.2.1. Promote and strengthen partnerships with Governments, international organizations and the private sector to maximize funding opportunities and in-kind contributions for the Endowment Fund for Marine Scientific Research in the Area and its beneficiaries	<ul style="list-style-type: none"> Partnerships for improved funding opportunities and in-kind contributions of the Endowment Fund for Marine Scientific Research in the Area established and fostered Funding opportunities and in-kind contributions for the Endowment Fund for Marine Scientific Research in the Area increased 	<ul style="list-style-type: none"> Number of beneficiaries of the Endowment Fund for Marine Scientific Research in the Area from developing States members of the Authority increased
		5.2.2. Participate in global financing mechanisms to foster funding opportunities for the Endowment Fund for Marine Scientific Research in the Area and its beneficiaries	<ul style="list-style-type: none"> Relevant mechanisms established to foster funding for the Endowment Fund for Marine Scientific Research in the Area 	<ul style="list-style-type: none"> Sustainable funding schemes established and result in enhanced capacity development programmes and

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
5.3	Enable capacity-building measures to be mainstreamed into relevant initiatives	5.3.1. Promote, prioritize and implement capacity-building measures in all projects and activities, as far as practicable, implemented by the Authority, alone and in partnership, with an emphasis on the needs identified by developing States	<ul style="list-style-type: none"> • All scientific research programmes and activities implemented by the Authority designed with due consideration for capacity-building/development priorities identified by developing States 	<p>initiatives for deep-sea research</p> <ul style="list-style-type: none"> • Contribution of the Authority to global efforts to develop capacities of developing States in deep-sea research established
5.4	Build on the achievements of contractor training programmes and assess their long-term impact on capacity-building	5.4.1. Undertake regular assessments of contractors' training programmes and their long-term impact on capacity-building	<ul style="list-style-type: none"> • Impact of contractors' training programmes in building/developing capacities of developing States members of the Authority regularly assessed 	<ul style="list-style-type: none"> • Capacities of developing States members of the Authority, in relation to marine scientific research in the Area, significantly improved as a result of responsiveness of contractors' training programmes to the needs identified
		5.4.2. Facilitate the adjustment of contractor training programmes to meet the needs of developing States		
6.	Ensure fully integrated participation by developing States			
6.3	In cooperation with States parties, initiate and promote measures providing opportunities to personnel from developing States for training in marine science and technology and for their full participation in activities in the Area (Convention, art. 144 (2) (b))	6.3.1. Identify training opportunities for personnel from developing States in marine science and technology	<ul style="list-style-type: none"> • Training opportunities in marine science and technology increased for personnel of developing States members of the Authority 	<ul style="list-style-type: none"> • Capacities of developing States members of the Authority, in relation to marine science and technology, significantly improved

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
		6.3.2. Actively promote partnerships with Governments, contractors and international organizations to maintain and develop training opportunities for personnel from developing States	<ul style="list-style-type: none"> • Sustainable partnerships established with Governments, contractors and international organizations in support of the Authority programmatic approach for capacity development in marine scientific research 	
		6.3.3. Identify and develop measures to strengthen the role of women in deep seabed-related activities and, in particular, deep seabed research	<ul style="list-style-type: none"> • Challenges in the participation and leadership of women in deep-sea research in the Area and corrective measures identified 	<ul style="list-style-type: none"> • Participation and leadership of women in activities in the Area improved • Participation of women in marine scientific research programmes and activities undertaken in the Area significantly improved as a result of measures and training put in place by the Authority
6.4	Carry out a detailed resource assessment of the reserved areas that are available to the Enterprise and developing States	6.4.1. Update the resource assessment of the reserved areas as new data and information become available		<ul style="list-style-type: none"> • Global outlook on the state of mineral resources and the marine environment in the Area in place
9.	Commit to transparency			
9.2	Ensure access to non-confidential information	9.2.1. Promote and enhance the availability of, and access to, non-confidential information and, in particular, consider a wider dissemination of information, analysis and decisions relating to the work of the Authority,	<ul style="list-style-type: none"> • Availability of and access to non-confidential information ensured • Increased access to and use of Deep Data by diverse stakeholders (including the Authority- 	<ul style="list-style-type: none"> • Global knowledge and understanding of the Area and the work of the Authority enhanced as a result of improved availability of and access to scientific and

No.	Strategic direction	High-level action	Short-term outputs	Long-term outputs
9.4	Build a stakeholder communications and consultation strategy and platform that facilitates open, meaningful and constructive dialogue, including on stakeholder expectations	9.4.1. Promote the adoption of a communications and stakeholder engagement strategy	<p>China joint training and research centre), in collaboration with IOC/UNESCO and other scientific partners, facilitated through the offering of relevant training opportunities, in particular on biodiversity data using the Ocean Biodiversity Information System</p> <ul style="list-style-type: none"> • Deep Data user groups established and operational for providing regular feedback and ensuring up-to-date, user-friendly maintenance of Deep Data • Process for engagement of relevant stakeholders in marine scientific research programmes and activities facilitated by the Authority in the Area established 	<p>environmental non-confidential information</p> <ul style="list-style-type: none"> • General awareness and understanding of the Authority's specific role and mandate in relation to marine scientific research in the Area improved • Systematic and coordinated participation of the Authority in communications activities implemented for the United Nations Decade

<i>No.</i>	<i>Strategic direction</i>	<i>High-level action</i>	<i>Short-term outputs</i>	<i>Long-term outputs</i>
		9.4.2. Actively engage relevant stakeholders in the work of the Authority, as appropriate	<ul style="list-style-type: none">• Participation of stakeholders in design and/or implementation of marine scientific research programmes and activities implemented by the Authority improved	<ul style="list-style-type: none">• Contribution of the Authority's activities and programmes recognized as having significant value to achieve scientific objectives and societal outcomes of the United Nations Decade



Assembly

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Kingston, 27–31 July 2020*

Agenda item 9

Annual report of the Secretary-General under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

Decision of the Assembly of the International Seabed Authority relating to the implementation of a programmatic approach to capacity development

The Assembly of the International Seabed Authority,

Recalling its decision of 26 July 2018, adopted at its twenty-fourth session,¹ by which it adopted the strategic plan of the Authority for the period 2019–2023,

Recalling also its decision of 24 July 2019, adopted at its twenty-fifth session,² by which it adopted the high-level action plan for the Authority for the period 2019–2023 as well as performance indicators for each of the strategic directions in the strategic plan,

Having considered the report of the Secretary-General³ in which he provided the required information on the assessment of capacity-building programmes and activities undertaken by the Authority since 1994, as well as on the adjustments needed to ensure that such programmes and activities better meet the capacity-building needs of developing States,

Considering the priorities for capacity development identified by the members of the Authority,

Committed to further building the capacity of developing States, in particular geographically disadvantaged States, landlocked developing countries, small island developing States and least developed countries, as well as ensuring their fully integrated participation in the activities undertaken in the Area,

Emphasizing the importance of a dedicated strategy for capacity development that addresses the needs identified by the members of the Authority,

1. *Takes note* of the report of the Secretary-General;

* Original dates. The meeting has been postponed sine die.

¹ [ISBA/24/A/10](#).

² [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#).

³ [ISBA/26/A/7](#).



2. *Requests* that the Secretary-General develop and implement a dedicated strategy for capacity development, taking into account the elements identified in paragraph 36 of his report, and to report thereon to the Assembly at its twenty-seventh session;

3. *Also requests* that the Secretary-General explore options to mobilize additional resources to provide financial support for the implementation of the dedicated strategy;

4. *Invites* members of the Authority to establish and inform the Secretary-General of national focal points in charge of liaising with the secretariat on matters relating to capacity development, taking into account the terms of reference for such focal points as set out in the annex;

5. *Encourages* members of the Authority to participate fully in the implementation of the dedicated strategy, including through development of programmes of scientific cooperation with regard to activities in the Area, as well as training, technical assistance and scientific cooperation programmes in marine science and technology and the protection and preservation of the marine environment;

6. *Invites* contractors, the private sector, civil society, academia and foundations to contribute to the implementation of the dedicated strategy in their respective areas of competence, in line with the priorities identified by developing States members of the Authority.

Annex

Terms of reference for national focal points in charge of liaising with the secretariat on matters relating to capacity development

1. Capacity-building and capacity development are essential aspects of the mandate of the International Seabed Authority under the United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982. The duty of the Authority to ensure that a variety of capacity-building mechanisms are developed is recognized in the strategic plan of the Authority for the period 2019–2023.¹ Such mechanisms should be aimed not only at facilitating the transfer of technology to developing States² but also at ensuring the expansion of opportunities for their participation in activities in the Area.³ In the light of the foregoing, members of the Authority have identified that the challenge lies in the identification of appropriate mechanisms, including tailored programmes and initiatives, to ensure the fully integrated participation of developing States in activities in the Area at all levels. Strategic direction 5 (Build capacity for developing States) and strategic direction 6 (Ensure fully integrated participation by developing States) are aimed at accomplishing this objective.

2. Pursuant to the request by participants in the workshop on capacity development, resources and needs assessment held by the secretariat in Kingston in February 2020 to develop terms of reference for national focal points in charge of liaising with the secretariat on matters relating to capacity development, the role and responsibilities of such focal points are established as follows:

(a) To facilitate dissemination at the national level of information on capacity development programmes and activities to be implemented by the Authority;

(b) To act as point of liaison between the secretariat and the member of the Authority on any matters relating to capacity-building and capacity development;

(c) To help to identify potential partners at the national level with which the Authority could develop, in close cooperation, initiatives for training and capacity development;

(d) To raise awareness among national ministries and other relevant agencies of the mandate of the Authority under the Convention and the 1994 Agreement in relation to capacity-building and capacity development;

(e) To help to identify needs for technical assistance by the Authority in order to support national or regional initiatives relevant to the mandate of the Authority;

(f) To support the work of the secretariat in establishing a network of institutions that could contribute to the implementation of the dedicated strategy of the Authority for capacity development.

3. The secretariat shall keep national focal points up to date on activities undertaken in cooperation with national focal points for capacity-building and capacity development.

¹ ISBA/24/A/10, annex.

² United Nations Convention on the Law of the Sea, arts.144, 273 and 274.

³ Ibid., art. 148.



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Agenda item 14

Adoption of the budget of the International Seabed Authority

Agenda item 15

Adoption of the scale of assessment for the contributions to the budget of the International Seabed Authority

Decision of the Assembly of the International Seabed Authority relating to the budget of the Authority for the financial period 2021–2022

The Assembly of the International Seabed Authority,

Taking into account the recommendations of the Council of the International Seabed Authority,¹

1. *Approves* the budget for the financial period 2021–2022 in the amount of \$19,411,280;²
2. *Authorizes* the Secretary-General to establish the scale of assessments for 2021 and 2022 on the basis of the scale used for the regular budget of the United Nations for the years 2019 to 2021, taking into account that the maximum assessment rate will be 22 per cent and the minimum rate 0.01 per cent;
3. *Also authorizes* the Secretary-General, for 2021 and 2022, to transfer between sections, subsections and programmes up to 20 per cent of the amount of each section, subsection or programme;
4. *Urges* the members of the Authority to pay as soon as possible their assessed contributions to the budget on time and in full;
5. *Notes with concern* the increasing amounts of outstanding contributions, appeals once more to the members of the Authority to pay outstanding contributions to the budget of the Authority from previous years as soon as possible and requests the Secretary-General, at his discretion, to continue his efforts to recover those amounts;

* Reissued for technical reasons on 29 July 2021.

** Original dates. The meeting has been postponed sine die.

¹ ISBA/26/C/26.

² ISBA/26/A/5/Add.1/Rev.2-ISBA/26/C/18/Add.1/Rev.2.



6. *Urges* members and other possible donors to make voluntary contributions to the Endowment Fund for Marine Scientific Research in the Area and voluntary trust funds of the Authority;

7. *Expresses its deep concern* over the depleted balance of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee;

8. *Implements* remote simultaneous interpretation services for all meetings of the organs of the Authority as a provisional measure in connection with the coronavirus disease (COVID-19) pandemic and until the end of the financial period 2021–2022. The decision regarding the potential continuation of such practice is to be taken separately.

31 December 2020



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Agenda item 18

Election to fill vacancies on the Council, in accordance with article 161, paragraph 3, of the United Nations Convention on the Law of the Sea

Decision of the Assembly of the International Seabed Authority relating to the election to fill the vacancies on the Council of the Authority in accordance with article 161, paragraph 3, of the United Nations Convention on the Law of the Sea

The Assembly of the International Seabed Authority,

Recalling that, in accordance with article 161, paragraph 3, of the United Nations Convention on the Law of the Sea,

“Elections shall take place at regular sessions of the Assembly. Each member of the Council shall be elected for four years”,

Elects the following to fill the vacancies on the Council of the International Seabed Authority for a four-year term from 1 January 2021 to 31 December 2024, subject to the understandings reached in the regional and interest groups:¹

Group A

China
Japan

Group B

India

* Original dates. The meeting has been postponed sine die.

¹ The agreed allocation of seats on the Council is 10 seats to the Group of African States, 9 seats to the Group of Asia-Pacific States, 8 seats to the Group of Western European and Other States, 7 seats to the Group of Latin American and Caribbean States and 3 seats to the Group of Eastern European States. Since the total number of seats allocated according to that formula is 37, it is understood that, in accordance with the understanding reached in 1996 (ISBA/A/L.8), each regional group other than the Group of Eastern European States will relinquish a seat in rotation. The regional group which relinquishes a seat will have the right to designate a member of that group to participate in the deliberations of the Council without the right to vote during the period the regional group relinquishes the seat.



Group C

Canada
South Africa

Group D

Bangladesh
Brazil
Uganda

Group E

Argentina
Costa Rica
Czechia
Mauritius
Morocco
Netherlands²
Poland
Sierra Leone³
Spain⁴
Trinidad and Tobago
United Kingdom of Great Britain and Northern Ireland⁵

3 March 2021

² The Netherlands is elected for a four-year term as a member of group E, on the understanding that it will relinquish its seat after two years to Belgium for the year 2023 and after three years to Norway for the remainder of the four-year term (2024).

³ Sierra Leone is elected for a four-year term as a member of group E, on the understanding that it will relinquish its seat after two years to Algeria for the remainder of the four-year term (2023 and 2024).

⁴ Spain is elected for a four-year term as a member of group E, on the understanding that it will relinquish its seat after one year to Norway for the year 2022.

⁵ The United Kingdom of Great Britain and Northern Ireland is elected for a four-year term as a member of group E, on the understanding that it will relinquish its seat after two years to Norway for the year 2023.



Assembly

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Kingston, 26–30 July 2021*

Agenda item 20

Other matters

Decision of the Assembly of the International Seabed Authority concerning the extension of the terms of office of the current members of the Finance Committee

The Assembly of the International Seabed Authority,

Noting that the terms of office of the current members of the Finance Committee will expire on 31 December 2021,

Taking into account the continuing situation concerning the coronavirus disease (COVID-19) pandemic,

Taking into account also the uncertainty of holding in-person meetings of the Assembly and the usual period of time required for the nomination and circulation process for the election of the members of the Finance Committee and the need to ensure the continued effectiveness of the Finance Committee in fulfilling its functions,

1. *Decides* that the terms of office of the current members of the Finance Committee shall be extended by one year, such that they will expire on 31 December 2022;

2. *Stresses* that the decision to extend the terms of office of the current members of the Finance Committee is being made on an exceptional basis, owing to the unprecedented circumstances arising from the COVID-19 pandemic, and that it is without prejudice to section 9 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 and does not constitute a precedent, either for the Finance Committee or for other organs of the International Seabed Authority with elected members.

6 July 2021

* New dates of the in-person meetings originally scheduled for July 2020.





Assembly Council

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Item 13 of the agenda of the Assembly

Report and recommendations of the Finance Committee

Agenda item 14 of the Council

Report of the Finance Committee

Development of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area pursuant to section 9, paragraph 7 (f), of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

Report of the Finance Committee

I. Introduction

1. At its twenty-fourth session, in 2018, the Finance Committee discussed the impact that the preparation of draft regulations on the exploitation of mineral resources in the Area might have on its workplan. The Committee identified several areas that required its input, including the formulation of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area (hereinafter referred to as “equitable sharing”).

2. The Finance Committee noted that the limited existing literature concerning the issue of equitable sharing included a report of the Secretary-General of the United Nations, issued in 1971 for the Committee on the Peaceful Uses of the Seabed and the Ocean Floor beyond the Limits of National Jurisdiction, on the possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the Area beyond the limits of national jurisdiction.¹ Although the principle of equitable benefit-sharing was broadly agreed, the detailed mechanics of the issue did not receive significant attention during the Third United Nations Conference on the Law of the Sea.

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [A/AC.138/38](#) and [A/AC.138/38/Corr.1](#).



3. The report addressed the development of equitable sharing criteria and was aimed at providing the basis for a conceptual approach. It included the following list of non-financial benefits: expansion of world mineral resources; orderly development of resources; protection of the marine environment; enlarging the number of nationals with seabed technical competence; increasing the knowledge of the marine environment and seabed area; stability of raw material markets; and preferential access to raw material for less developed countries. Financial benefits, on the other hand, were found to consist of the balance remaining after deduction of the expenditure (e.g. for personnel, supplies, training and research) from the revenues of the international machinery to be established. The report also contained a list of alternative criteria for the distribution of benefits, which were classified into two categories: direct distribution to Governments; and allocation to programmes of particular interest to developing countries. According to the report, before net proceeds reached a sufficiently large volume, direct distribution to all Governments might lead to a fragmentation of financial resources, which would result in benefits of modest significance to the receiving countries. During that initial period, there might be some advantages to concentrate available proceeds in programmes of high priority, such as the promotion of development in the least developed countries.²

4. The Finance Committee requested the Secretary-General to prepare a report for the twenty-fourth session to assist the Committee in its consideration of the question of equitable sharing. In his report,³ the Secretary-General identified key elements requiring interpretation and elaboration and made suggestions as to how the Committee might conduct the development of rules, regulations and procedures in parallel with the development by the Legal and Technical Commission of the regulations on the exploitation of mineral resources in the Area. The Committee took note of the report and requested the Secretary-General to prepare a technical study, including suggested sharing criteria, for consideration at the twenty-fifth session.⁴ The Committee also noted the importance of advancing in parallel the implementation of article 82, paragraph 4, of the United Nations Convention on the Law of the Sea, which refers to equitable sharing of payments and contributions derived from the exploitation of resources on the continental shelf beyond 200 nautical miles, while avoiding the duplication of work.

5. In response to the request made by the Finance Committee, a report on criteria for the equitable sharing of financial and other economic benefits derived from deep seabed mining was prepared, with the assistance of a consultant. The Committee considered the report, including at a joint meeting with the Legal and Technical Commission held on 9 July 2019, and reported on its discussions to the Council and the Assembly at the twenty-fifth session.⁵ On the basis of the questions raised by the Committee and the additional issues identified, a supplementary report was prepared, with the assistance of a consultant, for consideration by the Committee at the twenty-sixth session. The supplementary report presented and evaluated, according to widely accepted measures of relative inequality and global social welfare, three alternative formulae for the fair and equitable allocation of a given sum of royalties available for distribution. The Committee also requested, and was provided with, a web-based model to enable it to visualize and compare the impact of each formula on any member of the International Seabed Authority under the different scenarios. Those reports were considered further by the Committee during its meetings in 2020.

6. Without prejudice to its discussion of a formula for equitable distribution, the Finance Committee also considered whether an alternative or supplemental approach

² Ibid., para. 47.

³ [ISBA/24/FC/4](#).

⁴ See [ISBA/24/A/6](#).

⁵ [ISBA/25/A/10-ISBA/25/C/31](#).

might be the establishment of a global fund that could be used to support global public goods, investment in human and physical capital or deep-sea research and conservation. A suggestion was also made that the fund could also support the establishment of regional marine scientific and technological centres, as provided in articles 276 and 277 of the Convention. More broadly, such a fund could support and enhance knowledge about the deep sea, which is a global public good, and, accordingly, constitute a means to operationalize the concept of the common heritage of humankind. Such knowledge includes, for example, scientific knowledge about the marine environment of the Area, capacity-building for the integrated participation of developing States in the work of the Authority and for the sustainable development of deep seabed mining (such as enlarging the number of nationals with seabed technical competence), and research and development of new technology that minimizes the environmental impact of deep seabed mining. The Committee also took note of the discussions in the Council during the first part of the twenty-sixth session, during which delegations had emphasized the need to consider a fund dedicated to environmental research and training, which should be separate from the proposed environmental compensation fund, and noted that a number of proposals had been made to broaden the reach of such a fund to cover, for example, research to generate information for the review of regional environmental management plans.

7. Without reaching any decision, and without prejudice to its overall discussion on the issue of equitable sharing, the Finance Committee requested the secretariat to provide it with a report further developing the concept of a global fund. In response to that request, the secretariat, with the assistance of a consultant, prepared in 2021 a report on the structure and purpose of a “seabed sustainability fund”, which was considered by the Committee at its resumed meetings during the twenty-sixth session.⁶

8. Having considered the various reports prepared for its consideration and after discussing the issue, the Finance Committee reached the conclusion that it was time to report its initial findings and considerations to the Council and the Assembly with a view to seeking guidance on how to proceed. The Committee noted that several issues required clear policy guidance from the Assembly and that it would not be appropriate for it to continue to develop rules, regulations and procedures for equitable sharing without such guidance.

9. The present report summarizes the main elements considered by the Finance Committee and sets out the key policy choices that need to be made by the Assembly.

II. Preliminary considerations

10. The Finance Committee focused its discussions on the problem of equitable sharing of financial (monetary) benefits from deep sea mining. For the purposes of those discussions, and the present report, the Committee made two basic assumptions. The first, and key, assumption is that a payment mechanism for deep-sea mining is agreed and that revenues are flowing to the Authority under that mechanism. A second key assumption, which is important for the purposes of testing the models set out in the report, is that deep-sea mining has reached a stage where mining operations are under way in the Area (although those may be at different stages of production), and a steady stream of payments is being made. Without making those assumptions, it is not possible to model and understand the full impact of each potential distribution formula.

11. It is likely that deep-sea mining will start on a relatively small scale, with activity expected to increase over time as technology develops and contractors

⁶ A summary version of the report is available in document [ISBA/26/FC/8](#). A synthesis of the full report is reproduced in ISA Technical Study No. 31 (forthcoming).

become more experienced. Once a conceptual approach has been agreed, therefore, it will be necessary to give more detailed consideration as to how the system should be implemented in its early stages, before revenue reaches a steady state, for example, whether a minimum fund should be built up before the first distribution, whether funds should be invested pending distribution, the frequency of distribution (monthly, annual or biannual) and other operational and administrative questions. Those issues are not considered in the present report.⁷

12. Although the present report and the discussions in the Finance Committee focus on the distribution of financial benefits from deep-sea mining, it is important to bear in mind that the Convention, through its article 140, gives equal weight to non-monetary benefit-sharing as a means of giving effect to the overall objective of benefit to humankind. There is no limit to the category of non-monetary benefits, and all those benefits are not easily quantifiable, as they may change over time. For example, the fact that the Convention establishes a legal regime for the Area that limits access to resources and prevents unrestrained exploitation is itself a benefit to humankind and a global public good. This is implicit in the Declaration of Principles Governing the Seabed and the Ocean Floor, and the Subsoil Thereof, beyond the Limits of National Jurisdiction adopted by the General Assembly in 1970 (resolution [2749 \(XXV\)](#)), in which the Assembly called for the establishment of an international regime to “provide for the orderly and safe development and rational management of the Area and its resources”. The purpose of the international regime is to create and enforce a set of rules and standards governing deep-sea mining and related activities, including marine scientific research in the Area, that balances the need for resource extraction with the preservation of the marine environment.

13. Several of the non-monetary benefits that flow from the international regime for the Area are identified in article 150 of the Convention, which sets out the policies relating to activities in the Area. Those policy objectives are also restated in the draft regulations on the exploitation of mineral resources in the Area.⁸ To those objectives may be added the protection of the marine environment of the Area through the rules, regulations and procedures of the Authority; capacity-building, which is mandatory in the case of the training programmes required of contractors and developed through international cooperation in the case of programmes developed through the Authority; increased knowledge of the marine environment and the deep sea (including through international cooperation in marine science and the sharing of the results of marine scientific research in the Area carried out pursuant to articles 143 and 144 of the Convention); and the transfer of marine technology.

III. Applicable legal provisions

14. Provisions concerning the equitable sharing of benefits from activities in the Area are found in article 140, paragraph 2, article 155, paragraph 1 (f), article 160, paragraphs 2 (f) (i) and (g), and article 162, paragraph 2 (o) (i), of the Convention and in section 9, paragraph 7 (f), of the annex to the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

15. Article 140 (see annex I) derives from the aforementioned Declaration of Principles. Activities in the Area must be carried out for the benefit of humankind as a whole, and the Authority is to provide for the equitable sharing of financial and other economic benefits derived from activities in the Area. Although the Convention

⁷ See ISA Technical Study No. 31 for a summary of key operational issues that will require consideration.

⁸ [ISBA/25/C/WP.1](#).

establishes the general principle, it provides little guidance on how article 140 may be implemented, leaving it to the Assembly to adopt rules, regulations and procedures, as explained below.

16. The reference to article 160, paragraph 2 (f) (i), is to identify the organs of the Authority that are entrusted with functions in relation to the implementation of article 140. Article 160, paragraph 2 (f) (i), provides that the powers and functions of the Assembly include the consideration and approval, upon the recommendation of the Council, of the rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area and the payments and contributions made pursuant to article 82, taking into particular consideration the interests and needs of developing States and peoples who have not attained full independence or other self-governing status. If the Assembly does not approve the recommendations of the Council, it is to return them to the Council for reconsideration in the light of the views expressed by the Assembly. The 1994 Agreement also provides that decisions of the Assembly and the Council are to take into account recommendations of the Finance Committee on the issue of the rules, regulations and procedures mentioned above and the decisions to be made thereon (annex, sect. 9, para. 7 (f)).

IV. Status of revenue received from deep sea mining

17. Pursuant to article 171 of the Convention, all amounts received in connection with activities in the Area are treated as the “funds of the Authority”. It is important to note, however, that not all those funds will be available for equitable sharing. How the funds must be allocated is specified in article 173, paragraph 2. What will be available for sharing will be the net funds remaining after payment of the various items specified in article 173, paragraph 2, and subject to the provisions of the 1994 Agreement.

A. Administrative expenses of the Authority

18. The administrative expenses of the Authority shall be a first call upon the funds of the Authority. At present, those expenses are funded by assessed contributions from member States, determined according to the scale used for the regular budget of the United Nations, adjusted for differences in membership. Over time, as revenue from deep-sea mining increases, assessed contributions will theoretically be reduced, although that reduction may be temporarily offset by an increased demand for budgetary resources. The current annual budget of the Authority is approximately \$10 million, but it can be expected that this amount will increase as deep-sea mining activity increases and there is a need to fund additional programmes, including an inspection and monitoring programme.

19. In that regard, the Finance Committee took note of a separate report by the Secretary-General on the future financing of the Authority,⁹ in which it was explained that the Authority would need to increase its current capacity significantly to become an effective regulator of future deep-sea mining. A significant increase in funding would be required in the period before commercial mining begins. There is likely to be a period of several years during which member States will need to support the Authority’s transition to a fit-for-purpose regulator. Once the first plan of work for exploitation is approved and commercial production begins, the financial burden will begin to shift from member States to contractors.

⁹ ISBA/26/FC/7.

20. In those circumstances, the Finance Committee suggested that consideration be given to the possibility that, from 2023, necessary increases in the administrative budget beyond zero real growth increases could be treated as advances against future revenue, which would be repaid pro rata and progressively once revenue from deep-sea mining begins to flow.¹⁰ If applied as a temporary measure, this would have no long-term impact on the distribution of revenues, but would enable Governments to invest in the institutional strengthening necessary to ensure that the Authority can carry out its functions under the Convention and the 1994 Agreement.

B. Funds allocated to the Enterprise

21. Although it is stipulated in article 173 of the Convention that the funds of the Authority may be used to provide the Enterprise with funds in accordance with article 170, paragraph 4, the application of that provision was significantly adjusted under the 1994 Agreement. The Agreement provides that States parties shall be under no obligation to finance any of the operations in any mine site of the Enterprise or under its joint venture arrangements and that the provisions of article 170 shall be interpreted accordingly (annex, sect. 2, para. 3, of the Agreement). In particular, the obligation of States parties to fund one mine of the Enterprise (previously contained in annex IV, art. 11, of the Convention) has been removed.

C. Economic assistance fund under article 151, paragraph 10

22. Under article 151, paragraph 10, of the Convention, the Assembly shall establish a system of compensation or take other measures of economic adjustment assistance, including cooperation with specialized agencies and other international organizations, to assist developing countries that suffer serious adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of exports of that mineral, to the extent that such reduction is caused by activities in the Area. Such system is to be established by the Assembly upon the recommendation of the Council based on advice from the Economic Planning Commission.

23. The 1994 Agreement includes several important modifications to the implementation of that provision. First, it is provided that the functions of the Economic Planning Commission are to be carried out by the Legal and Technical Commission until such time as the Council decides otherwise, or until the approval of the first plan of work for exploitation. Second, the implementation of article 151, paragraph 10, is further qualified under section 7 of the Agreement, which provides that the policy of the Authority on assisting developing countries that suffer serious adverse effects on their export earnings or economies shall be based on several stated principles. Those include that the form of assistance to be provided under article 151, paragraph 10, shall be through an economic assistance fund created from a portion of the funds of the Authority that exceeds those necessary to cover the administrative expenses of the Authority. The amount of the fund is to be determined by the Council, on the basis of a recommendation of the Finance Committee. Only funds from payments received from contractors, including the Enterprise, and voluntary contributions shall be used for that purpose. All related provisions of the Convention are to be interpreted accordingly.

¹⁰ It is suggested in document [ISBA/26/FC/7](#) that the budget of the Authority would need to increase from about \$20 million (2021–2022) to about \$30 million (2029–2030), with approximately \$4.5 million of that increase to be borne by member States.

24. For the present purposes, the Finance Committee noted that a certain proportion of the gross revenue from deep-sea mining would need to be allocated to the economic assistance fund before any further distribution to States parties. The amount needed for the fund will likely vary from year to year, as will the disbursements from the fund, and it is also likely that guidelines will need to be developed in due course to govern the use of such a fund. This matter falls within the mandate of the future Economic Planning Commission.

V. Developing an equitable sharing formula

25. As a general principle, the equitable sharing of resource rents can be based on two possible rationales. The first is simply based on the concept of shared ownership. Alternatively, equitable sharing can reflect an implicit or explicit desire to redistribute income or wealth, for example, from wealthier States to poorer States. In that case, shares should be distributed on the basis of some indicator of a State's priority in the redistribution goal and would, typically, embody some form of progressivity that favours poorer States in the distribution scheme. Progressivity can be defined in various ways. For example, it can mean: (a) that the share of rents received by a low-income State is higher than the share received by a high-income State; or (b) that the total amount received as a percentage of income is higher for low-income States than for high-income States. Both imply a redistribution of income or wealth relative to what would be required by a proportional distribution scheme based solely on ownership rights.

26. Applying that theoretical background to deep-sea mining, it is noted that article 140 of the Convention provides that deep-sea mining must be carried out for the benefit of humankind, irrespective of the geographical location of States, whether coastal or landlocked. This implies an underlying joint ownership rationale for equitable sharing. At the same time, however, article 140 requires the Authority to take into particular consideration the interests and needs of developing States and of peoples who have not attained full independence or other self-governing status, implying an income redistribution rationale as well.

27. The Finance Committee noted that there is ambiguity in the language of the Convention. For example, "interests and needs" are not defined, and there is no guidance as to how they are to be assessed and measured. The Committee also noted an inconsistency between references to "States" as beneficiaries in article 140 and article 162, paragraph 2 (o) (i), and references to "States parties" in article 82, paragraph 4. While it could be argued that allowing all States, whether party to the Convention or not, to benefit from deep-sea mining would be consistent with the common heritage status of the mineral resources of the Area, the Committee noted that this could also give rise to a "free rider" problem and fail to take into consideration the fact that States parties had supported the Authority for many years through assessed contributions to the budget. It would not be fair or equitable for non-Parties to benefit in the same way.

28. A particular difficulty arises with respect to the need to recognize the interests and needs of peoples who have not attained full independence or other self-governing status. Article 140 contains a specific reference to the Declaration on the Granting of Independence to Colonial Countries and Peoples of 1960,¹¹ but today's political situation is completely different from that when the Convention was adopted, in 1982. Membership of the Authority is confined to States parties to the Convention, and there is no provision for participation by non-independent territories or indigenous peoples

¹¹ General Assembly resolution 1514 (XV).

that could potentially be considered beneficiaries under that provision. One way to understand the provision might be to infer from it some preference within the overall distributional hierarchy for States parties that have relevant non-self-governing territories, or indigenous peoples. Even then, however, it is difficult to see how the Authority could in practice ensure that benefits are directed to the ultimate beneficiaries.

29. Without prejudice to the issues raised in the preceding paragraphs, the Finance Committee decided to continue its work on the basis that States parties were the appropriate beneficiary unit. During its meetings in 2019 and 2020, the Committee developed three alternative formulae for the equitable distribution of a given sum of money among States parties.¹² The formulae, the rationale behind them and the methodology for calculation are fully explained and elaborated in the reports submitted to the Committee in 2019 and 2020.¹³ The basic concept behind each of the formulae is to calculate each country's population as a percentage of the world's total, which would be fully consistent with Aristotle's principle of equity or proportionality and also reflect the common heritage nature of the resource.¹⁴ This distribution would then be adjusted through a social distribution weight in such a way as to redistribute income from higher-income States parties to the developing countries referenced in article 140 of the Convention. A web-based model was also developed to enable the visualization and comparison of the impact of each of the three alternative formulae on any member of the Authority under the different scenarios.

30. Each of the formulae reviewed by the Finance Committee relies on readily accepted and accessible measures of States parties' income and populations as underlying data sources,¹⁵ and the revealed preferences of States parties as measured by the scale of assessments agreed by the United Nations General Assembly as the appropriate metric to determine progressivity. In that regard, progressivity was defined to mean that the share of proceeds received by relatively "lower-income" (as measured against mean per capita income of all States parties) States parties is higher than the share received by relatively "higher-income" States parties. It was noted that the Authority would be able in the future to modify those revealed preferences (represented in the formulae by the parameter η) to any value that meets its notion of equity. Lower values of η would reduce the degree of progressivity, while greater values of η would strengthen it.

31. To test the relative merit of each of the three formulae, the Finance Committee also reviewed an ex post evaluation of equity and impact on global social welfare

¹² These are referred to as: (a) the original formula; (b) the original formula with floor and ceiling rates; and (c) the geometric mean functional form.

¹³ A synthesis of those reports is presented in ISA Technical Study No. 31.

¹⁴ According to Aristotle's principle of equity or proportionality, goods or services of concern should be divided in proportion to each claimant's contribution (or claim) (Aristotle, *The Nicomachean Ethics*). In the case of revenue from deep-sea mining, the good is homogeneous, divisible and measured on a cardinal scale in a common metric (United States dollar), and each individual has an equal claim to share the benefits from deep-sea mining in the Area referred to under article 140 owing to the status of mineral resources as the common heritage of humankind. This equal claim is adjusted for progressivity in response to requirements under the Convention to redistribute income on a more equitable basis, so that the distribution is not an exact or even one. Instead, the distribution is an even one with unequal entitlements, with claimants weighted by social distribution weights.

¹⁵ In the model developed for the Finance Committee, all calculations are based on three-year averages of population and gross national income data, unless otherwise indicated. The data are also available from the World Bank, the United Nations and other sources.

from the share allocated to each State party using established measures of relative inequality and impacts on global social welfare.¹⁶

32. Empirical results showed that allocated shares from the geometric mean functional form had the greatest degree of global social welfare and produced the lowest relative inequality when considering all shares for all States parties.¹⁷ For convenience, the formula is reproduced in annex I. However, the equity of distribution to regional groups depends on the heterogeneity of each region in terms of population share and, to a lesser extent, the magnitude of each State party's social distribution weight, which is a function of per capita income. A statistical (generalized linear model regression) analysis shows that the impact of the share of population on the outcome is several orders of magnitude greater than that of the social distribution weight. This means that a limited number of States parties would enjoy exceptionally large gains in allocated shares regardless of the formula. Paradoxically, by raising the progressivity parameter, the elasticity of the social marginal utility of income lowers rather than raises equity and social welfare in the distribution. Several alternative approaches were considered but had no significant impact on those conclusions.

VI. Seabed sustainability fund

33. Without prejudice to its discussion of a formula for equitable distribution, the Finance Committee also considered whether an alternative or supplemental approach might be the establishment of a global fund that could be used to support global public goods, investment in human and physical capital or deep-sea research and conservation. A suggestion was also made that the fund could also support the establishment of regional marine scientific and technological centres, as provided in articles 276 and 277 of the Convention. More broadly, such a fund could support and enhance knowledge about the deep sea, which is a global public good. Such knowledge includes, for example, scientific knowledge about the marine environment of the Area, capacity-building for the sustainable development of deep seabed mining (such as enlarging the number of nationals with seabed technical competence), and research in and development of new technology that minimizes the environmental impact of deep seabed mining.

34. In terms of the conceptual basis for a global fund, the Finance Committee noted that, as marine scientific knowledge is a global public good, all peoples of the world benefit from the results (the non-excludability property of a public good) and do so without reducing the benefits of others (the non-rivalry property of a public good). The global benefits also satisfy Aristotle's principle of equity or proportionality. The claimants – in this case, the global population – have equal claims under the Convention and equally benefit from the increase in scientific knowledge, capacity-building, and research and development and their contribution to the sustainable development and production of deep seabed minerals enjoyed by said population. Better scientific knowledge about the deep-sea environment contributes to sustainable mining that minimizes the impairment of any ecosystem services that may result from deep seabed mining and that may adversely affect the global population. The "priority principle" can equitably and fairly select projects and allocate royalties to projects and the seabed sustainability fund. Using a given standard, the priority method distributes available units of "goods" to highest-priority claimants (projects, uses,

¹⁶ Those measures included the Gini coefficient, a Lorenz curve, Pen's parade of dwarves and giants, the Atkinson inequality index and generalized entropy measures.

¹⁷ The geometric mean functional form may be applied with or without a floor and ceiling rate. If a floor and ceiling is applied, it would correspond to the floor and ceiling in the current scale of assessments for contributions of members of the Authority (0.01 per cent and 16.31 per cent, respectively). The rates would be adjusted in future in line with the scale of contributions.

impacts). It is applicable in particular when there are indivisible, heterogeneous, multiple claims and simple metrics to measure ordinal differences in entitlements are unavailable. It allocates “goods” impartially and consistently, even though priority criteria may differ greatly from one situation to another.

35. A global fund supporting global public goods and smoothing consumption spending over time (given variations in revenue from varying production volumes and prices) also addresses intergenerational equity by allowing for the distribution of current deep-sea mining revenue (or monetary and non-monetary benefits derived from them) to future generations (whether through payments to States parties or funded projects). The operation of a global fund requires weighting current and future revenue, other social benefits and costs (including ecosystem impacts) arising from mining.¹⁸ Allocating different weights to those factors shifts costs and benefits to different generations, thereby creating inter-temporal trade-offs between current and future generations. Society may choose to weight consumption differently for different generations on the basis of differences in income or wealth. If future generations are likely to be wealthier (owing to technological advances and economic growth), then a progressive approach to intergenerational allocation would assign greater weight to consumption by current generations, because they are less well off than future generations. Alternatively, if future generations are likely to be poorer than current generations, then a progressive approach places more weight on consumption by future generations by, for example, placing greater weight on investment that leads to higher future consumption when evaluating policy options. Societal decisions about how to allocate resources across generations reflect implicit ethical judgments on the weights assigned to different generations. Those weights are provided by the social discount rate. This is the rate at which the weights placed on future costs and benefits decline over time, thereby allowing comparing future events in today’s terms. In a report commissioned by the Authority in the context of the open-ended working group of the Council on financial terms for deep seabed mining, an (inflation-adjusted) discount rate of 3.75 per cent is recommended.¹⁹

36. To investigate the issue further, the Finance Committee commissioned a report on options for a seabed sustainability fund,²⁰ which it considered at its meetings in 2021.

A. Summary of the report on the options for a seabed sustainability fund

37. A qualitative distribution of net financial benefits from deep-sea mining is identified in the report as a credible adjunct or alternative to simple financial distribution

¹⁸ The inherent non-renewability of mineral resources implies that extraction by current generations comes at the expense of extraction by future generations. Thus, future generations can only exercise their ownership rights and associated claim to the benefits from extraction of those resources through provisions made by the current generation to: (a) leave an equitable share of the resource in situ for extraction by future generations; or (b) save and invest some of the royalties from current extraction to provide increased consumption (i.e. increased goods and services) for future generations. The latter would require reducing consumption of royalties earned now to increase savings, investment (including in public goods), economic growth and, hence, future consumption. Once extraction is fully developed, the portion of revenue saved to build up a stock of non-resource assets in the sustainability fund creates a return that can finance global public goods, which invariably include long-term market and non-market benefits for future generations, and sustain the spending annuity after extraction has ended or is declining. This ensures that future generations enjoy some share of the benefits from extraction of the resources and promotes sustainable development.

¹⁹ Mark C. Freeman, Ben Groom and Zachary M. Turk, “A Study to determine the appropriate social discount rate for the International Seabed Authority” (2020).

²⁰ See note 5 above.

and arguably more in line with a precautionary approach. In this way, financial benefits would be used to invest in people and in preserving and developing the Area sustainably, so that it maintains its value for future generations. Evidence from multilateral institutions shows how difficult it is to mobilize financial resources for common purposes, and this deficit also affects the Authority. Better understanding and knowledge of the deep sea and its ecosystems will not only ensure rigorous management of the Area but also provides benefits to all countries (i.e. it is a global public good), since all depend on the ocean for the supply of essential ecosystem services.

38. The proposed objective of the seabed sustainability fund would be to invest in knowledge and competence related to the Area. This includes basic and applied research, capacity-building and the fostering of other public goods related to the seabed. The purposes identified in the draft regulations on exploitation appear to be a good basis for discussion.

39. It is noted in the report that many of the activities described under “scope” should ideally be carried out before deep-sea mining starts. This suggests that consideration may need to be given to “front-loading” the fund by co-financing or borrowing against future revenue. The problem is that it may take some years to build up sufficient revenue to make meaningful investments. Those issues would need to be addressed by whatever governance mechanism is selected for the seabed sustainability fund.

40. Various options may be considered for the governance of the seabed sustainability fund, but four basic components may be identified, namely: (a) a management body; (b) a scientific guidance board; (c) a performance audit mechanism; and (d) an executive office or secretariat. In line with the evolutionary approach identified in the 1994 Agreement, the need to create new institutions could be avoided in the early stages of operation of the fund by using existing institutional mechanisms. Under that scenario, the Finance Committee would act as the management body, the Legal and Technical Commission would provide scientific guidance (possibly with additional external expert input) and the Authority secretariat would act as the secretariat of the fund. Performance audit could be outsourced to existing institutions, such as the Board of Auditors of the United Nations. This approach would also be more cost-effective during the early years of the fund.

41. The seabed sustainability fund could support projects aimed at specific actions identified by members of the Authority, for example, through the strategic plan and high-level action plan of the Authority, as well as any other strategic frameworks endorsed by the Assembly. It could also support projects proposed by members of the Authority and third parties through co-financing.²¹ Those options are not mutually exclusive and could be enriched through further ideas from the scientific guidance body or a demand analysis (like the capacity-building needs analysis carried out by the Authority in 2020). The report identifies inclusivity as an important objective and suggests that consideration may be given to regional offices hosted by regional institutions, with the Authority playing a role as a global coordinator and facilitator of a network.

42. It was noted in the report that no other existing institution was providing the services that could be provided by the seabed sustainability fund. Many institutions with much larger budgets than the Authority exist, but very little funding is allocated to the Area. The Area, and indeed all marine areas beyond national jurisdiction, were identified as “orphan domains” in the report, and for that reason the fund would be a

²¹ It was also suggested in the report that funds could be used to co-finance the Enterprise, for example, through investment or loans to the Enterprise. The Finance Committee did not reach any conclusion regarding that suggestion.

practical option to direct a meaningful financial and intellectual efforts towards the Area. Some useful lessons can be learned from the way in which other funds, organizations and agencies operate, including the importance of a mechanism for performance evaluation, transparency in decision-making, the importance of capacity-building and the use of blended finance involving the private sector.

B. Consideration by the Finance Committee

43. The Finance Committee considered that the seabed sustainability fund and the issues raised in the report merited further detailed consideration, subject to the consideration of the overriding policy issues by the Assembly. In general, the Committee endorsed the application of the evolutionary approach to the governance of the fund, while noting the need to scale up the internal capacity of the Secretariat to manage such a fund. The need to associate the objects and purposes of the fund with the priorities identified in the strategic plan and high-level action plan was noted. Some members emphasized the value of a regional or decentralized approach, making use of existing regional institutions to act as regional centres for the activities of the fund. Some concern was expressed as to whether the fund would fully meet the objective identified in article 140 of giving “particular consideration” to the interests and needs of developing States. It was noted that further consideration would need to be given to that aspect should the proposal be developed further.

VII. Distribution pursuant to article 82, paragraph 4

44. The Finance Committee also considered the application of the principles that were discussed to the equitable distribution of funds received pursuant to article 82, paragraph 4, of the Convention. It was noted that, since 2009, the Authority had convened a seminar and a workshop to explore important legal and technical issues related to article 82 and had also published a survey of key terms used in that article.²²

45. Article 82, paragraph 4, gives the Authority the responsibility for distributing to States parties to the Convention, on the basis of “equitable sharing criteria”, payments and contributions made by coastal States in respect of the exploitation of non-living resources on the continental shelf beyond 200 nautical miles. The Finance Committee noted some significant differences between article 82, paragraph 4, and article 140. First, article 82, paragraph 4, is unambiguous in referring to States parties as the beneficiaries of payments and contributions. Second, the beneficiaries to receive preference under the same article are developing States, but in particular “the least developed and landlocked among them”, whereas article 140 refers to developing States in general. This implies that the remedial rationale of article 82, paragraph 4, is broadly socioeconomic and geographical, hence the highlighting of the needs and interests of landlocked States, which have no entitlement to a continental shelf. Third, in relation to the payments or contributions to be made pursuant to article 82, paragraph 4, the role of the Authority is fundamentally different to that under article 140. In the case of article 82, the function of the Authority is to serve as a conduit for the transmission of payments and in-kind contributions to States parties in accordance with article 82, paragraph 1. The recipients of the payments and contributions are the States parties and the role of the Authority is purely instrumental. This implies that such funds may

²² See International Seabed Authority, *Issues Associated with the Implementation of Article 82 of the United Nations Convention on the Law of the Sea*, ISA Technical Study No. 4 (2009); *Implementation of Article 82 of the United Nations Convention on the Law of the Sea*, ISA Technical Study No. 12 (2013); and *A Study of Key Terms in Article 82 of the United Nations Convention on the Law of the Sea*, ISA Technical Study No. 15 (2016).

not be used to support the regular budget of the Authority, the economic assistance fund or a sustainability fund. The Finance Committee noted that, as discussed at the workshop on article 82 held in Beijing in 2012, this did not preclude an administrative overhead charge for managing such funds.²³

46. The above notwithstanding, the Finance Committee noted that any of the distribution formulae developed in relation to article 140 could also be applied to distribution under article 82, paragraph 4. If the basic methodology is accepted, the social distribution weights can be easily manipulated to give preference to any group of States. It would simply be necessary to determine which States should receive preferential treatment. Among the members of the Authority, 27 States are least developed countries, including 10 that are landlocked, and 10 States are both developing and landlocked countries. It would be necessary to determine whether those should receive equal preference or whether there is a ranking of preference in the distribution.

VIII. Conclusions and recommendations

47. The following are the main conclusions and recommendations of the Finance Committee:

(a) Revenue from deep-sea mining is likely to build up over time as activities in the Area progress. In the early years of activity, this revenue will be used to meet the administrative expenses (budget) of the Authority until such time as deep-sea mining revenue displaces the assessed contributions of States parties;

(b) Since the budget of the Authority will need to increase before the commencement of commercial production, in order to build the Authority's capacity to manage activities in the Area effectively, consideration should be given to the possibility that, from 2023, necessary increases in the administrative budget beyond zero real growth increases could be treated as advances against future revenue, which would be repaid pro rata and progressively once revenue from deep-sea mining begins to flow;

(c) Article 151, paragraph 10, of the Convention, as read in conjunction with section 7 of the 1994 Agreement, requires a portion of the Authority's funds exceeding those necessary to cover the administrative expenses to be allocated to the economic assistance fund. While the amount of the fund is to be determined by the Council, on the basis of a recommendation of the Finance Committee, the criteria for access to the fund and the amount of compensation to be given fall within the mandate of the future Economic Planning Commission. This issue will need to be addressed before the distribution of remaining funds begins;

(d) As far as the allocation of the remaining funds in excess of the amounts required for the administrative expenses of the Authority and the economic assistance fund are concerned, either the development of equitable sharing criteria or the establishment of a seabed sustainability fund, or a combination of both, can meet the Convention objectives of equity and proportionality. There are questions as to whether the fund can achieve the same level of income redistribution and progressivity as direct distribution to States parties;

(e) Alternative formulae have been developed for equitable sharing and subjected to ex ante and ex post evaluation according to well-established methodologies. Empirical results show that allocated shares from one allocation formula (geometric mean) have the greatest global social welfare and produce the

²³ International Seabed Authority, ISA Technical Study No. 12.

lowest relative inequality compared with others, although the differences are not great. Under any scenario, the impact of population share means that a limited number of States parties will enjoy exceptionally large gains in allocated shares compared with others, regardless of the formula used. On the other hand, the comparatively small dollar amounts available to some States parties (even under a notional distribution of \$500 million) means that the benefits of the common heritage may be dissipated, which is a major drawback to the idea of direct distribution;

(f) For that reason, the seabed sustainability fund may be a viable adjunct or alternative to direct distribution. The proposed objective of the fund would be to invest in knowledge and competence related to the Area while at the same time addressing intergenerational equity and smoothing out flows of benefits in the face of fluctuating revenues. This includes basic and applied research, capacity-building and the fostering of other public goods related to the seabed. The purposes identified in the draft regulations on exploitation appear to be a good basis for discussion. Better understanding and knowledge of the deep sea and its ecosystems will not only ensure rigorous management of the Area but also provides benefits to all countries, since all depend on the ocean for the supply of essential ecosystem services;

(g) If the Council and the Assembly consider that a seabed sustainability fund should be investigated further, the Finance Committee recommends an evolutionary approach to its establishment and functioning, using existing institutional capacity wherever possible, in accordance with the 1994 Agreement;

(h) A possible approach would be to establish both a seabed sustainability fund and a mechanism for the direct distribution of royalties and public goods, such as regional centres. As with the economic assistance fund, the amount of excess funds to be contributed each year to the seabed sustainability fund could be determined by the Council, based on the recommendation of the Finance Committee. The balance of funds would be available for direct distribution. A sufficient fund could thus be built up during the early years of activities in the Area to achieve a balance between the various objectives identified in the present report;

(i) With respect to article 82, paragraph 4, the Finance Committee noted that any of the distribution formulae developed in relation to article 140 could also be applied to distributions under article 82, paragraph 4, subject to reaching agreement on the relative preference to be given to specific categories of States parties. Because payments and contributions in kind made under article 82, paragraph 4, are made through the Authority to States parties, the administration of those payments would need to be kept separate from funds received pursuant to article 140.

IX. Next steps

48. Future action depends to some extent on the decisions to be taken by the Council and the Assembly. A key factor is also the likely pace of development of activities in the Area. On the basis of the analysis in the report of the Secretary-General on the future financing of the Authority (ISBA/26/FC/7), it is not foreseen that revenue from deep-sea mining would be sufficient to displace assessed contributions until after 2030, depending on the date of commercial production. However, in the interim, there is a need for the Authority to build additional capacity to be ready to act as a regulator of deep-sea mining.

49. This implies that consideration of the issues raised in the present report should not be delayed but should be addressed in a logical and sequential manner. Should the date of commercial production be earlier than 2030, the issues would become even more urgent.

Annex I

Geometric mean functional form for the allocation formula

The geometric mean functional form for the allocation formula is written:

$$S_i \frac{\left[\left[\frac{\overline{GNI}}{GNI_i} \right]^{\eta=1} * P_i \right]^{\frac{1}{2}}}{\sum_{i=1}^N \left[\left[\frac{\overline{GNI}}{GNI_i} \right]^{\eta=1} * P_i \right]^{\frac{1}{2}}} = \frac{\left[\left[\frac{\overline{GNI}}{GNI_i} \right]^{\eta=1} \right]^{\frac{1}{2}} * P_i^{\frac{1}{2}}}{\sum_{i=1}^N \left[\frac{\overline{GNI}}{GNI_i} \right]^{\eta=\frac{1}{2}} * P_i^{\frac{1}{2}}}$$

where:

S_i denotes the allocated share of State party i in a time period;

P_i denotes the share of total population of State party i ;

\overline{GNI} denotes the average per capita gross national income of all States parties;

GNI_i denotes the per capita gross national income of State party i ;

N denotes the total number of States parties that receive an allocation ($N = 167$).

The value given to the social distribution weight $\omega_i = \left[\frac{\overline{GNI}}{GNI_i} \right]^{\eta=1}$ is represented by η and therefore the development status of any particular State party is implicitly defined through the calculation of its mean per capita income over that of all States parties and depends on whether that State is above or below the mean (and of course affected by η) through the social distribution.

The table below is extracted from the web-based country comparison model developed by the secretariat and available on the website of the Authority. The model allows to output the results of a notional distribution of any given sum of money according to the various alternative formulae presented in the present report. Outputs include a country's relevant demographics, including the resulting gross national income-based distribution weight, expected distribution shares under three proposed distribution functional forms and three comparison forms, total and per capita payouts for the selected hypothetical total payout, the relevant group's Gini coefficient and Atkinson inequality index under each distributional form, and Lorenz curves under each distributional formula.

All calculations in the web-based model are based on five-year averages of population and gross national income data, unless otherwise indicated. The data are also available from the World Bank, the United Nations and other sources.

The purpose of the table is to show the notional percentage distributions to the five largest and five smallest beneficiaries under the original formula and the geometric mean functional form. It is included here to demonstrate: (a) the relatively greater impact on the distribution of population share when using the original formula; and (b) the impact of a combination of very small populations and relatively high gross national income per capita, in particular on small island developing States.

<i>Country</i>	<i>Percentage of the total population of all States parties</i>	<i>Average gross national income per capita (United States dollars)</i>	<i>Share under geometric mean formula (percentage)</i>	<i>Share under original formula (percentage)</i>
Indicative shares of the five largest beneficiaries				
India	20.51	1 916	7.23	27.72
Democratic Republic of the Congo	1.25	500	3.50	0.10
China	21.23	9 320	3.34	5.90
Somalia	0.22	107	3.19	5.41
Pakistan	3.19	1 535	3.18	5.38
Bangladesh	2.45	1 613	2.72	3.93
Indicative shares of the five smallest beneficiaries				
Tuvalu	< 0.01	5 475	0.0125	< 0.001
Palau	< 0.01	17 418	0.0088	< 0.001
Cook Islands	< 0.01	19 983	0.0085	< 0.001
Nauru	< 0.001	12 026	0.0042	< 0.001
Monaco	< 0.001	180 859	0.0001	< 0.001

Annex II

Suggested guiding questions on the issue of the equitable sharing of financial benefits from activities in the Area for consideration by the Council and the Assembly

1. Do the Council and the Assembly agree on the concept of a seabed sustainability fund as proposed in the present report?
2. If the answer to question 1 is yes:
 - (a) What should the objectives and purposes of such a fund be?
 - (b) Should the seabed sustainability fund be an alternative to direct distribution or could there be a dual approach, whereby the funds to be contributed in any given year to the fund could be determined by the Council, on the basis of the recommendation of the Finance Committee, with the balance of funds available for direct distribution?
 - (c) Do the Council and the Assembly agree with the recommendation for an evolutionary approach to the establishment of a seabed sustainability fund, using existing institutional capacity wherever possible?
3. Do the Council and the Assembly agree, in principle, with the proposition that, from 2023, increases in the administrative budget beyond zero real growth needed to allow the Authority to evolve into an effective regulator of exploitation activities could be treated as advances against future revenue, which would be repaid pro rata and progressively once revenue from deep-sea mining begins to flow? If so, would the Assembly wish the Finance Committee to prepare a more detailed proposal for its consideration?
4. Do the Council and the Assembly agree that the Economic Planning Commission (and, in the interim, the Legal and Technical Commission performing the functions of the Economic Planning Commission) should begin to address the criteria for access to the future economic assistance fund under article 151, paragraph 10?

Annex III

Relevant provisions of the United Nations Convention on the Law of the Sea and of the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 referred to in the present report

A. United Nations Convention on the Law of the Sea

Article 82

Payments and contributions with respect to the exploitation of the continental shelf beyond 200 nautical miles

4. The payments or contributions shall be made through the Authority, which shall distribute them to States parties to this Convention, on the basis of equitable sharing criteria, taking into account the interests and needs of developing States, particularly the least developed and the landlocked among them.

Article 140

Benefit of mankind

1. Activities in the Area shall, as specifically provided for in [part XI], be carried out for the benefit of mankind as a whole, irrespective of the geographical location of States, whether coastal or landlocked, and taking into particular consideration the interests and needs of developing States and of peoples who have not attained full independence or other self-governing status recognized by the United Nations in accordance with General Assembly resolution 1514 (XV) and other relevant General Assembly resolutions.

2. The Authority shall provide for the equitable sharing of financial and other economic benefits derived from activities in the Area through any appropriate mechanism, on a non-discriminatory basis, in accordance with article 160, paragraph 2 (f) (i).

Article 151

Production policies

10. Upon the recommendation of the Council on the basis of advice from the Economic Planning Commission, the Assembly shall establish a system of compensation or take other measures of economic adjustment assistance including cooperation with specialized agencies and other international organizations to assist developing countries which suffer serious adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of exports of that mineral, to the extent that such reduction is caused by activities in the Area. The Authority on request shall initiate studies on the problems of those States which are likely to be most seriously affected with a view to minimizing their difficulties and assisting them in their economic adjustment.

Article 160

Powers and functions [of the Assembly]

2.(g) [The powers and functions of the Assembly shall be] to decide upon the equitable sharing of financial and other economic benefits derived from activities in the Area, consistent with this Convention and the rules, regulations and procedures of the Authority.

Article 173
Expenses of the Authority

2. The administrative expenses of the Authority shall be a first call upon the funds of the Authority. Except for the assessed contributions referred to in article 171, subparagraph (a), the funds which remain after payment of administrative expenses may, inter alia:

- (a) Be shared in accordance with article 140 and article 160, paragraph 2 (g);
- (b) Be used to provide the Enterprise with funds in accordance with article 170, paragraph 4;
- (c) Be used to compensate developing States in accordance with article 151, paragraph 10, and article 160, paragraph 2 (l).

Article 276
Establishment of regional centres

1. States, in coordination with the competent international organizations, the Authority and national marine scientific and technological research institutions, shall promote the establishment of regional marine scientific and technological research centres, particularly in developing States, in order to stimulate and advance the conduct of marine scientific research by developing States and foster the transfer of marine technology.

2. All States of a region shall cooperate with the regional centres therein to ensure the more effective achievement of their objectives.

Article 277
Functions of regional centres

The functions of such regional centres shall include, inter alia:

- (a) Training and educational programmes at all levels on various aspects of marine scientific and technological research, particularly marine biology, including conservation and management of living resources, oceanography, hydrography, engineering, geological exploration of the seabed, mining and desalination technologies;
- (b) Management studies;
- (c) Study programmes related to the protection and preservation of the marine environment and the prevention, reduction and control of pollution;
- (d) Organization of regional conferences, seminars and symposia;
- (e) Acquisition and processing of marine scientific and technological data and information;
- (f) Prompt dissemination of results of marine scientific and technological research in readily available publications;
- (g) Publicizing national policies with regard to the transfer of marine technology and systematic comparative study of those policies;
- (h) Compilation and systematization of information on the marketing of technology and on contracts and other arrangements concerning patents;
- (i) Technical cooperation with other States of the region.

B. Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, annex

Section 7
Economic assistance

1. The policy of the Authority of assisting developing countries which suffer serious adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of exports of that mineral, to the extent that such reduction is caused by activities in the Area, shall be based on the following principles:

(a) The Authority shall establish an economic assistance fund from a portion of the funds of the Authority which exceeds those necessary to cover the administrative expenses of the Authority. The amount set aside for this purpose shall be determined by the Council from time to time, upon the recommendation of the Finance Committee. Only funds from payments received from contractors, including the Enterprise, and voluntary contributions shall be used for the establishment of the economic assistance fund;

(b) Developing land-based producer States whose economies have been determined to be seriously affected by the production of minerals from the deep seabed shall be assisted from the economic assistance fund of the Authority;

(c) The Authority shall provide assistance from the fund to affected developing land-based producer States, where appropriate, in cooperation with existing global or regional development institutions which have the infrastructure and expertise to carry out such assistance programmes;

(d) The extent and period of such assistance shall be determined on a case-by-case basis. In doing so, due consideration shall be given to the nature and magnitude of the problems encountered by affected developing land-based producer States.

2. Article 151, paragraph 10, of the Convention shall be implemented by means of measures of economic assistance referred to in paragraph 1. Article 160, paragraph 2 (l), article 162, paragraph 2 (n), article 164, paragraph 2 (d), article 171, subparagraph (f), and article 173, paragraph 2 (c), of the Convention shall be interpreted accordingly.



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Agenda item 12

Report of the Secretary-General on the contribution of the International Seabed Authority to the United Nations Decade of Ocean Science for Sustainable Development

Implementation of the action plan of the International Seabed Authority in support of the United Nations Decade of Ocean Science for Sustainable Development

Report of the Secretary-General

I. Introduction

1. Under article 143, paragraph 2, of the United Nations Convention on the Law of the Sea and paragraph 5 (h) of the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, the International Seabed Authority is mandated to promote and encourage the conduct of marine scientific research in the Area and to coordinate and disseminate the results of scientific research and analysis when available. It may also carry out marine scientific research concerning the Area. In addition, the Authority is required to encourage the design and implementation of appropriate programmes for the benefit of developing and technologically less developed States with a view to strengthening their research capabilities, training their personnel in the techniques and applications of research, and fostering the employment of their qualified personnel in research in the Area.¹

2. At its seventy-second session, in 2017, the General Assembly decided to proclaim the United Nations Decade of Ocean Science for Sustainable Development from 2021 to 2030.² With a view to contributing to the implementation plan for the United Nations Decade, and in line with the mandate concerning marine scientific research, the Authority has participated in all phases of planning of the Decade and is now committed to supporting its implementation effectively.

* Reissued for technical reasons on 5 November 2021.

** New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ United Nations Convention on the Law of the Sea, art. 143 (3).

² General Assembly resolution [72/73](#), para. 292.



3. The importance of the United Nations Decade is highlighted in the context of the strategic plan³ and the high-level action plan⁴ of the Authority for the period 2019–2023. In both plans, the commitment of the Authority to contributing to the achievement of relevant Goals and targets of the 2030 Agenda for Sustainable Development is recognized, in particular Goal 14 (Conserve and sustainably use the oceans, seas and marine resources for sustainable development).

4. The commitment of the Authority is reflected in the nine strategic directions that have substantial implications for advancing marine scientific research in the Area, and the 12 high-level actions and 14 associated outputs have been identified as relevant for contributing to the four scientific objectives of the United Nations Decade.⁵

5. The Authority's commitment to contributing to the United Nations Decade has been further formalized with the adoption by the Assembly, in December 2020, of the action plan of the Authority in support of the United Nations Decade (the Action Plan for Marine Scientific Research).⁶

6. The present report is aimed at providing an overview of the progress facilitated by the secretariat, in collaboration with members of the Authority, contractors and partner organizations, in relation to the implementation of the Action Plan for Marine Scientific Research, taking into consideration that, as recognized by the Assembly, the content of the Action Plan will continue to evolve as new strategic research priorities are identified and endorsed by the members of the Authority.⁷

II. Progress in the implementation

7. The implementation of the Action Plan for Marine Scientific Research is focused on six strategic research priorities.

A. Strategic research priority 1: advancing scientific knowledge and understanding of deep-sea ecosystems, including biodiversity and ecosystems functions, in the Area

8. The focus of strategic research priority 1 is on enhancing the scientific knowledge of deep-sea ecosystems, as a critical knowledge base for ensuring the sustainable development of activities in the Area, as well as for achieving an enhanced understanding of the contribution of the deep sea to global environmental and societal benefits. That strategic research priority can be implemented most effectively through coordinating research efforts and promoting cooperation among academic communities, the private sector and governmental and non-governmental institutions, in particular by addressing research questions on deep-sea biodiversity and its role in global evolutionary and ecological processes, unlocking the potential of living and non-living deep-sea resources for future societal needs and strengthening the

³ ISBA/24/A/10, annex.

⁴ ISBA/25/A/15, annex II.

⁵ Four scientific objectives have been identified to guide the design and implementation of actions during the United Nations Decade of Ocean Science for Sustainable Development, namely: (a) to increase the capacity to generate, understand, manage and use ocean knowledge; (b) to identify and generate required ocean data, information and knowledge; (c) to build a comprehensive understanding of the ocean and ocean governance systems; and (d) to increase the use of ocean knowledge.

⁶ See ISBA/26/A/17.

⁷ Ibid.

scientific basis for the future assessment of environmental impacts that may arise from activities in the Area.

9. The secretariat, together with relevant scientific groups and stakeholders, has designed the Sustainable Seabed Knowledge Initiative with a focus on establishing a global framework for advancing the knowledge of the deep-sea environment and ecosystems in support of the mandate of the Authority. The Initiative also serves to operationalize two voluntary commitments made by the Authority at the United Nations Conference to Support the Implementation of Sustainable Development Goal 14, held in 2017.⁸ Specifically, the Initiative is focused on generating new knowledge of deep-sea biodiversity, developing integrative and innovative tools for biodiversity assessments and promoting the effective sharing and use of deep-sea biodiversity data and information.

10. Several strategic, technical and financial partnerships have been engaged to facilitate the development and implementation of the Sustainable Seabed Knowledge Initiative, including with the National Marine Biodiversity Institute of Korea, the Natural History Museum of the United Kingdom of Great Britain and Northern Ireland, the Institut français de recherche pour l'exploitation de la mer (Ifremer), the World Register of Marine Species, and the Ocean Biodiversity Information System of the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (IOC-UNESCO).

B. Strategic research priority 2: standardizing and innovating methodologies for deep-sea biodiversity assessment, including taxonomic identification and description, in the Area

11. The focus of strategic research priority 2 is on standardizing and innovating methodologies for deep-sea biodiversity assessment in the Area. Non-destructive, cost-effective and easily replicable methodologies for studying marine biodiversity, including environmental DNA and video surveys, are increasingly being applied in deep-sea environmental studies, enabling the discovery of numerous deep-sea organisms. Nonetheless, the utility and scientific value of the information generated by those methodologies need to be further assessed, considering the lack of consistency across the surveys as well as the absence of comprehensive reference catalogues, which are critical to identifying the organisms and matching the genetic sequences.

12. The consistent and harmonized compilation of the data emerging from the exploration activities and other scientific research projects in the Area will contribute significantly to enhancing and expediting the process of species identification and description, expanding the use of innovative methodologies and improving broad-scale biodiversity assessments in the deep sea. Fostering interdisciplinary cooperation would be essential for developing tools, such as field guides and apps, and technologies to improve in situ and ex situ deep-sea species identifications.

⁸ More specifically, voluntary commitment 3, on improving the assessment of essential ecological functions of the deep-sea oceans through long-term underwater oceanographic observatories in the Area (#OceanAction17746), and voluntary commitment 4, on enhancing deep-sea marine biodiversity assessment through the creation of online taxonomic atlases linked to deep-seabed mining activities in the Area (#OceanAction17776).

Collaboration between the Authority, the Ministry of Ocean and Fisheries of the Republic of Korea and the National Marine Biodiversity Institute of Korea on advancing deep-sea taxonomic standardization and image-based tools for taxonomic assessments

13. The collaboration between the secretariat, the Ministry of Ocean and Fisheries of the Republic of Korea and the National Marine Biodiversity Institute of Korea (MABIK) supports various activities on deep-sea taxonomic standardization, building upon the results of the online workshop on strategic approaches for collaboration relating to deep-sea taxonomic standardization held in September 2020. Collaborative efforts have been made to address taxonomic knowledge gaps and advance deep-sea species identification and description in the Area. One recent initiative under the collaboration was the organization of an online workshop, in October 2021, on enhancing image-based biodiversity assessments to advance deep-sea taxonomy. The workshop contributed to identifying key elements for developing a standardized model to be used for the exchange, archiving and sharing of image data in order to support effective biodiversity assessments and monitoring. Participants in the workshop also discussed the challenges and opportunities for developing automated routine analyses of image data using artificial intelligence and machine-learning methodologies. In addition, due consideration was given to identifying potential collaborative approaches for capacity-building and literacy regarding relevant technologies, methodologies and tools, including in relation to their adequate application on a larger scale.

Collaboration between the Authority and the Natural History Museum of the United Kingdom on assessing the biodiversity data on the Clarion-Clipperton Zone

14. The secretariat has engaged the Natural History Museum of the United Kingdom for a collaborative project, with the financial support of the Pew Charitable Trusts, to conduct a review of the baseline taxonomic data currently available in online repositories for the Clarion-Clipperton Zone. The review was focused on the data contained in DeepData as well as other existing databases (for example, the World Register of Marine Species, the Ocean Biodiversity Information System and the Global Biodiversity Information Facility), and included a review of scientific literature. The outputs of this project will contribute to the efforts made by the secretariat to improve taxonomic data management, including establishing interoperable links with existing global databases.

C. Strategic research priority 3: facilitating technology development for activities in the Area, including ocean observation and monitoring

15. The focus of strategic research priority 3 is on facilitating technological innovation, which is central to creating the enabling conditions for the equitable and sustainable development of deep-seabed mineral resources. It is also a prerequisite for supporting the transition from the exploration to the exploitation of mineral resources in the Area. Building cross-sectoral collaborations between land and ocean mining companies and other relevant industries can promote the exchange of ideas and lessons learned and foster innovative technological developments. Advances in technology are also needed to expand the spatial (horizontal and vertical) and temporal coverage of sustained deep ocean observations and monitoring.

Collaboration between the Authority and the National Oceanography Centre of the United Kingdom on advancing technology to support the sustainable mining of mineral resources in the Area

16. The secretariat partnered with the National Oceanography Centre of the United Kingdom to advance technology development and innovation in support of the sustainable development of mineral resources, including in relation to environmental protection and the monitoring of activities carried out in the Area. Building upon this partnership, an online expert scoping meeting will be convened in November 2021, with a focus on taking stock of existing technologies and gaps and identifying existing and potential actors. It will also serve to address ways and means of facilitating innovations for advancing smart technologies in support of the effective transition from exploration to exploitation.

D. Strategic research priority 4: enhancing scientific knowledge and understanding of potential impacts of activities in the Area

17. The focus of this strategic research priority is on advancing the scientific basis for the improved assessment of risks related to deep seabed exploration and future exploitation activities. Comprehensive environmental baseline information coupled with robust and coherent modelling approaches is essential to better understand the potential impacts that activities in the Area may have on multiple spatial and temporal scales and across all depths. It is also crucial for informing decision-making processes and ensuring that a precautionary approach is followed at all stages, as well as for developing robust monitoring programmes and methodologies.

18. Regional environmental assessments have been developed for the northern Mid-Atlantic Ridge⁹ and Pacific Northwest regions, in which the environmental data and information collected by contractors as part of their exploration activities, as well as scientific literature and other publicly available sources, are compiled and synthesized. In the assessments, the geological, oceanographic and biological characteristics are summarized for an enhanced understanding of the regional environmental settings. Furthermore, the regional environmental assessments form an important basis for developing risk assessments and environmental management and planning at the regional level and provide a standardized framework for incorporating new environmental data and information as they become available, through periodic reviews and the updating of the assessments. The assessments are being published as technical studies by the secretariat.

19. The secretariat has also engaged the Commonwealth Scientific and Industrial Research Organisation of Australia for the work on developing a standardized risk assessment framework enabling the assessment and monitoring of cumulative environmental impacts, including qualitative modelling approaches. The development of such a framework was initiated as part of the expert workshops on regional environmental management plans organized for the northern Mid-Atlantic Ridge and Pacific Northwest regions, including a group exercise on interactive modelling to identify the links between ecosystem components and their responses to combinations of different pressures.¹⁰ The results of the collaborative work will be published as a technical study by the secretariat.

20. The secretariat also convened an information webinar on collecting environmental baseline data and assessing potential environmental impacts of activities in the Area,

⁹ See <https://www.isa.org.jm/node/20266>.

¹⁰ Draft report available at <https://isa.org.jm/files/files/documents/Draft-report-cumulative-impacts.pdf>.

in collaboration with the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, in September 2021, in order to raise awareness among the Forum members of the work of the Authority on the protection of the marine environment in the Area.

E. Strategic research priority 5: promoting dissemination, exchange and sharing of scientific data and deep-sea research outputs and increasing deep-sea literacy

21. The focus of strategic research priority 5 is on promoting the dissemination, exchange and sharing of scientific data and the outputs from deep-sea research activities, thereby increasing deep-sea literacy. In the past four decades, the work of pioneer investors and contractors has contributed significantly to advancing the scientific knowledge and understanding of the deep-sea environment and seabed resources. The scientific data and information resulting from over one hundred oceanographic expeditions for the exploration of mineral resources by contractors have been systematically collected, compiled and organized in the Deep Seabed and Ocean Database (DeepData) of the Authority.

22. Establishing effective collaborative links, including data interoperability, between DeepData and other relevant global databases, such as the Ocean Biodiversity Information System of IOC-UNESCO and the World Register of Marine Species, is essential for contributing effectively to the global understanding of deep-sea ecosystems and biodiversity.

Expert workshops and training sessions on DeepData

23. Building upon the results of the online workshop on “DeepData: focusing on data management strategy”, convened in September 2020, the secretariat has provided various training opportunities on the functionalities of the database through various capacity-building workshops and webinars. Further to those efforts, the secretariat plans to organize a series of training sessions for contractors aimed at standardizing their submission of data from their exploration activities, using updated reporting templates for the submission of geological and environmental data as well as metadata. By improving the metadata standards for the submissions made by contractors, the secretariat can expedite its process for data cataloguing, which will help to enhance the searchability and utility of relevant data within DeepData for users.

Partnership between the Authority and the secretariat of the Ocean Biodiversity Information System on the exchange of biodiversity data

24. In May 2021, the Authority officially joined the International Oceanographic Data and Information Exchange network to serve as a node for the Ocean Biodiversity Information System of IOC-UNESCO for sharing data on deep-sea biodiversity and biogeography in the Area. The partnership was presented on World Oceans Day, in June 2021, during a webinar convened by the Authority secretariat, in collaboration with the secretariat of the Ocean Biodiversity Information System. Building upon the biodiversity data contained in DeepData, the new partnership will contribute to enhancing the global accessibility and visibility of deep-sea biodiversity data collected and submitted by the contractors, including historical data collected over the past decades. It will also contribute to ensuring data quality and standardization as well as to enhancing the capacity for data analysis and synthesis. Discussion has been initiated between the secretariat and representatives of other nodes of the Ocean Biodiversity Information System, including the deep-sea node for developing

collaborative activities, with a view to enhancing data visualization on and capacity regarding deep-sea biodiversity data.

Collaboration between the Authority and the World Register of Marine Species on the standardization of taxonomic data

25. Building upon the results of the workshops on deep-sea taxonomic standardization and DeepData held in September 2020, the secretariat engaged the World Register of Marine Species for standardizing the taxonomic data submitted to DeepData, enhancing data-sharing and raising awareness of deep-sea biodiversity data. There will be continuous collaboration on, inter alia, developing training and educational materials for providers and users of taxonomic data related to activities in the Area, conducting periodic scientific reviews of the taxonomic data contained in DeepData and facilitating the development of taxonomic tools for the enhanced use of taxonomic information generated from activities in the Area.

Cooperation between the Authority and the International Hydrographic Organization to advance the mapping of the seabed in the Area

26. The collaboration between the Authority and the International Hydrographic Organization, which was formalized through an agreement of cooperation signed during the twenty-third session of the Authority, in 2017, has advanced to facilitate the contribution of bathymetric data by numerous contractors, in accordance with their respective circumstances, to support the mapping of the seabed in the Area, as conducted in the Seabed 2030 project by the General Bathymetric Chart of the Oceans organization and the Nippon Foundation. The secretariat, in collaboration with secretariat of the International Hydrographic Organization, provides the necessary technical support to the contractors for sharing their bathymetric data.

Partnership between the Authority and the United Nations Global Compact on ocean mapping

27. The secretariat joined the working meeting of the Ocean Stewardship Annual Review organized by the secretariat of the United Nations Global Compact, on 22 September 2021, to raise awareness of the role and contribution of the Authority in support of the advancement of deep-seabed mapping and to explore, together with other expert entities, the critical issues to be addressed in the context of the United Nations Decade.

Increasing deep-sea literacy

28. Increasing deep-sea literacy and the general understanding of the work of the Authority is a fundamental objective. To that end, diverse initiatives to enhance communication activities for stakeholders have been developed during the year to raise awareness of the role and mandate of the Authority, as well as its contribution to the achievement of the scientific objectives of the United Nations Decade.

29. In March 2021, the secretariat launched a new webinar series called “Deep DiplomaSea” for the personnel of permanent missions to the Authority and the United Nations. More than 150 participants participated in the two webinars held in March and July 2021, respectively. The next webinar is scheduled for November 2021.

30. On the occasion of World Oceans Day, on 8 June 2021, the secretariat organized a virtual event dedicated specifically to the celebration of deep-sea marine life and the promotion and sharing of knowledge about deep-sea biodiversity for the benefit of humankind.¹¹ The webinar brought together experts from the Legal and Technical

¹¹ See <https://www.isa.org.jm/index.php/world-oceans-day>.

Commission, members and observers of the Authority and representatives of contractors and scientific institutions. The interactive discussion was followed by the announcement of the winners of the art competition organized by the secretariat on the theme “ISA’s Wonders of the Deep”.

31. The secretariat, together with interested contractors and other partner organizations, is currently working on a new initiative aimed at increasing the visibility of the contribution of deep-sea exploration activities conducted in the Area, in order to advance the global understanding of deep-sea ecosystems and resources. The initiative will take the form of a compendium highlighting the collective achievements of the contractors in advancing the state of knowledge of the deep sea for the benefit of humanity. The compendium will be published by the end of 2021.

32. Further efforts on inclusive and transparent communications and awareness-building activities will be guided by the deep-sea literacy action plan, which has been developed by the secretariat and will be made available by the end of 2021.

F. Strategic research priority 6: strengthening deep-sea scientific capacity of Authority members, in particular developing States

33. The focus of strategic research priority 6 is on facilitating the effective participation of developing States in marine scientific research activities carried out in the Area. Owing to the rapid pace at which technology and know-how related to that research, in particular in the deep sea, are developing, the disparity in capacity among countries will continue to increase. The Authority is committed to addressing the situation and facilitating better coordination and collaboration, as well as the identification of the financial and technical resources needed. Specific attention will be given to assisting technologically disadvantaged States, least developed countries, landlocked countries and small island developing States. Continued efforts to improve women’s empowerment and leadership in deep-sea research will also be ensured.

34. Under the Convention and the 1994 Agreement, the Authority is required to contribute to the development of the scientific and technical capacities of developing States. Different mechanisms exist to fulfil its responsibilities, the most relevant of which in the context of the present report are the contractors training programme, the Endowment Fund for Marine Scientific Research in the Area, the Authority-China Joint Training and Research Centre, the Africa Deep Seabed Resources project, the Abyssal Initiative for Blue Growth project and the Women in Deep-Sea Research project.

35. Under the contractors’ training programme, practical training opportunities through at-sea training, engineering courses, fellowships for master and PhD programmes, internships, seminars and workshops are provided by the contractors for personnel from developing States. As of 2021, 150 individuals had benefited from the programme, while 29 placements have been postponed owing to coronavirus disease (COVID-19)-related restrictions. In June 2021, key outcomes of the review commissioned by the secretariat on the implementation of all capacity-building and development activities by the Authority and the workshop on capacity development, resources and needs assessment held in 2020¹² were discussed by the Legal and Technical Commission with a view to considering how to effectively address the needs of developing States members of the Authority and ensuring that the programme continues to meet its objectives. The Commission agreed to work

¹² See [ISBA/26/A/7](#).

intersessionally on the matter with the secretariat in order to review the guidance for contractors relating to training programmes in 2022.

36. The Endowment Fund for Marine Scientific Research in the Area supports the participation of qualified scientists and technical personnel from developing States in marine scientific research programmes through the provision of grants and resources. In this connection, the Assembly, in its decision relating to the implementation of a programmatic approach to capacity development, requested the Secretary-General to develop and implement a dedicated strategy for capacity development, taking into account the relevant elements, including to review the terms of reference of the Endowment Fund to address the challenges identified, in particular to allow the use of the capital of the Fund to support training and technical assistance activities.¹³ In the light of that decision, the Secretary-General will submit a report on proposed adjustments to the terms of reference of the Endowment Fund to the Finance Committee in 2022.

37. The Authority-China Joint Training and Research Centre was formally launched in November 2020. Since then, the Steering Committee has held virtual meetings to discuss overall strategic approaches for the development of training and research programmes in marine scientific research and technology with a view to supporting the objectives of the Authority under the Action Plan for Marine Scientific Research as well as in relation to capacity-building and development.

38. The secretariat, together with Ifremer and with the financial support of France, has developed a new initiative in support of the new programmatic approach for capacity development endorsed by the Assembly in December 2020.¹⁴ The collaboration is aimed at enabling scientists from developing States to carry out a postdoctoral research project with Ifremer. The postdoctoral fellowship position, expected to start in early 2022, will be part of the Blue Revolution project¹⁵ and will contribute to the testing and development of new methods and technologies for deep-sea species identification. Specifically, the project is aimed at building a reference training dataset based on processed three-dimensional images of deep-sea microscopic species combined with visual and manual image analysis for machine-learning method development.

39. The secretariat has developed an internship programme, with the financial support of the National Oceanography Centre of the United Kingdom, focused on developing technical capabilities on taxonomic identification and standardization, and data collection and processing. Although two female candidates have been selected, from China and the Cook Islands, respectively, the implementation of the activities has been postponed until 2022 owing to travel restrictions caused by the COVID-19 pandemic.

40. In addition, the secretariat is currently developing an e-learning platform that will support the development of capacities and skills of young professionals and experts in the work of the Authority. The platform is expected to be launched in early 2022.

41. In the context of contributing to the objectives of the United Nations Decade, the Decade of African Seas and Oceans (2015–2035) and Agenda 2063 adopted by the Assembly of the African Union in January 2015, the secretariat has developed and implemented the Africa Deep Seabed Resources project, in partnership with the African Union and the Norwegian Agency for Development Cooperation. The third regional workshop of the project was organized in June 2021 and hosted by Mauritius.

¹³ See ISBA/26/A/18, para. 2, and ISBA/26/A/7, para. 36.

¹⁴ See ISBA/26/A/18.

¹⁵ See https://wwz.ifremer.fr/bluerevolution_fr.

Furthermore, the eight remaining national experts from African States who have been selected for a two-month secondment within the secretariat, with the main objective of developing and strengthening their technical skills in deep-sea geology and data management as well as ocean policy, will be joined by three more experts in October and November 2021.

42. Building upon the objectives of the Africa Deep Seabed Resources project, including the identification of potential capacity-building activities and strategies to be further developed at the national, regional and international levels, the secretariat launched, in September 2021, the first webinar¹⁶ of a new series dedicated entirely to addressing the priority needs for capacity development identified by African member States. The first webinar was focused on deep-sea mineral resource assessments and mining technologies, highlighting the complementarity between exploration and research activities in the Area as a foundation for enhancing the knowledge base to ensure sustainable ocean development. It identified key priorities, opportunities and challenges for improving deep-sea mineral resource assessments and technologies for exploration and future exploitation activities in the Area, which will provide a basis for future collaboration. Future webinars in the series will be targeted at addressing other scientific issues, with a particular focus on environmental management and data management.

43. The Abyssal Initiative for Blue Growth project, implemented in partnership with the United Nations Department of Economic and Social Affairs and the Norwegian Agency for Development Cooperation, is aimed at strengthening the capacity of Pacific small island developing States to develop and implement appropriate enabling legal, institutional and policy frameworks for the sound and sustainable management of marine mineral resources in the Area. As part of the project, four regional workshops have been held. The most recent workshop, held remotely, was hosted by the Cook Islands in July 2021. It was focused on environmental management and the monitoring of activities in the Area and provided the opportunity to discuss a wide range of issues covered by the Action Plan for Marine Scientific Research.

44. Since 2017, the Authority has placed particular importance on advancing women's empowerment and leadership, including in deep-sea research, as reflected in the voluntary commitment registered at the Ocean Conference of 2017 (#OceanAction15467). To that end, the Authority has entered into a partnership with the United Nations Office of the High Representative for the Least Development Countries, Landlocked Developing Countries and Small Island Developing States. The partnership, given concrete form in the Women in Deep-Sea Research project, is aimed at developing specific activities to advance women's empowerment and the leadership of women scientists from the least development countries, landlocked developing countries and small island developing States. Several strategic partnerships have already been established with Governments, international and regional organizations, academia and contractors¹⁷ to implement activities in the four action areas (policy development and advocacy, capacity development, sustainability and partnerships, and communication and outreach). For example, the secretariat has

¹⁶ See <https://isa.org.jm/event/webinar-msr-information-series-africa-topic-1-deep-sea-mineral-resources-and-technologies>.

¹⁷ Argentina, Kiribati, Malta, Nauru, Norway, South Africa; Cook Islands Seabed Minerals Authority, Department of Economic and Social Affairs, Indian Ocean Rim Association, International Group on the Follow-up to the World Conference on Science, National Institute of Oceanography and Fisheries of Egypt, National Marine Biodiversity Institute of Korea, National Oceanographic Centre of the United Kingdom and West P&I, Organisation for Economic Co-operation and Development; Pacific Community, Deep Ocean Resources Development Co. Ltd., Marawa Research and Exploration Limited, Nauru Ocean Resources Inc., Tonga Offshore Mining Limited.

provided necessary technical support to the National Marine Biodiversity Institute of Korea for the organization of the Global Women's Leadership Training Programme in Marine Bioresources Information Systems, for female experts of Fiji, in October 2021.

45. In August 2021, the secretariat jointly organized, with the Subcommission for the Caribbean and Adjacent Regions of IOC-UNESCO, a regional co-design workshop on capacity development related to the deep sea. More than 130 participants, mostly from the wider Caribbean region, including panellists from the secretariat, former trainees of the Authority, national institutions and international organizations and initiatives, attended the workshop.

III. Engagement and resource mobilization

46. The Authority has continued to work collaboratively with IOC-UNESCO in the planning and implementation of the United Nations Decade. As such, the secretariat has contributed to the interim Decade Advisory Board, the monitoring and evaluation working group and the communications working group. In July 2021, responding to a call for nomination from the Executive Secretary of IOC-UNESCO, the Secretary-General confirmed, through the United Nations Legal Counsel as Chair of UN-Oceans, the willingness of the Authority to be represented on the Decade Advisory Board in order to ensure consistency and coherence in the implementation of the objectives of the United Nations Decade in the light of the specific responsibilities attributed to existing international organizations through their respective mandates and instruments in the field of marine scientific research.

47. Many of the activities described in the present report were financially supported by specific budget programmes allocated by the Assembly. However, various activities have also been supported by members of the Authority, partner organizations and donors, as well observers through cash contributions and in-kind support.

48. In August 2021, the secretariat was invited by the European Commission to submit a proposal for a grant under the 2021 work programme of the European Maritime, Fisheries and Aquaculture Fund. The proposal is currently being developed with a view to supporting the first phase of the Sustainable Seabed Knowledge Initiative, which is aimed at implementing the taxonomic component of the Initiative and initiating the development of innovative tools to facilitate species identification and description in the Area, with a focus on the Clarion-Clipperton Zone.

IV. Recommendations

49. The Assembly is invited to:

- (a) Take note of the information provided in the present report;
- (b) Request the Secretary-General to continue his efforts to mobilize resources to provide financial support for the implementation of the strategic research priorities under the Action Plan for Marine Scientific Research;
- (c) Encourage all members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private persons to contribute to the implementation of the Action Plan for Marine Scientific Research.



Assembly

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Twenty-sixth session

Kingston, 13–15 December 2021*

Agenda item 20

Other matters

Decision of the Assembly of the International Seabed Authority concerning the decisions adopted under silence procedure in 2020 and 2021

The Assembly of the International Seabed Authority,

Recalling the impossibility of convening in-person meetings of the Assembly during the twenty-sixth session in 2020 and early 2021 owing to the coronavirus disease (COVID-19) pandemic,

Having agreed that, under those prevailing circumstances, the Assembly was able to take essential decisions to advance the work of the International Seabed Authority,

Having also agreed to adopt under silence procedure decisions on time-sensitive matters while the COVID-19 pandemic prevented in-person meetings at the headquarters of the Authority,

Recalling that, under the silence procedure, decisions were deemed adopted if no objections were raised within 72 hours from the tabling of the proposal for adoption,

Recalling also that the President of the Assembly announced the adoption of each decision dealt with under silence procedure by circulating a letter to the members of the Assembly, which was also posted on the website of the Authority,¹

Stressing that this method was used in exceptional circumstances and does not amount to an amendment to the rules of procedure of the Assembly,²

Takes note of the following decisions adopted by the Assembly under silence procedure:

(a) Decision of 15 October 2020 concerning the procedure for the adoption of decisions by the Assembly during the twenty-sixth session of the Authority owing to the coronavirus disease (COVID-19) pandemic;

(b) Election, on 29 October 2020, of the President of the Assembly;³

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ All the letters from the President of the Assembly are available at www.isa.org.jm/node/19747.

² ISBA/A/6.

³ The Permanent Representative of France to the International Seabed Authority, Denys Wibaux, was elected as the President of the Assembly for the twenty-sixth session.



- (c) Adoption, on 6 November 2020, of the agenda of the Assembly;⁴
- (d) Decision of 6 November 2020 concerning the organization of the work for the twenty-sixth session of the Assembly;
- (e) Election of Vice-Presidents;⁵
- (f) Appointment of the Credentials Committee;⁶
- (g) Adoption, on 20 November 2020, of a schedule and modalities concerning the organization of work for the twenty-sixth session of the Assembly;
- (h) Election to fill vacancies on the Finance Committee;⁷
- (i) Decision of 26 November 2020 to name the museum of the Authority in honour of Nii Allotey Odunton;⁸
- (j) Decision of 3 December 2020 concerning the election of the Secretary-General of the Authority;⁹
- (k) Decision of 17 December 2020 relating to the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable Development;¹⁰
- (l) Decision of 17 December 2020 relating to the implementation of a programmatic approach to capacity development;¹¹
- (m) Decision of 31 December 2020 relating to the budget of the Authority for the financial period 2021–2022;¹²
- (n) Decision of 3 March 2021 relating to the election to fill the vacancies on the Council of the Authority in accordance with article 161, paragraph 3, of the United Nations Convention on the Law of the Sea;¹³
- (o) Decision of 6 July 2021 concerning the extension of the terms of office of the current members of the Finance Committee.¹⁴

*187th meeting
13 December 2021*

⁴ [ISBA/26/A/1](#).

⁵ On 13 November 2020, the Dominican Republic, Nigeria and Poland were elected as Vice-Presidents of the Assembly for the twenty-sixth session; on 23 November 2020, Nauru was elected as Vice-President of the Assembly.

⁶ On 13 November 2020, Canada, Chile, Costa Rica, Czechia, Lesotho, South Africa and Spain were appointed as members of the Credentials Committee for the twenty-sixth session of the Assembly; on 8 January 2021, Myanmar and Sri Lanka were appointed as members of the Credentials Committee.

⁷ On 26 November 2020, Fujimoto Shoko (Japan) was elected for the remainder of the term of Onuma Hiroshi (Japan), Philip Dixon (United Kingdom of Great Britain and Northern Ireland) was elected for the remainder of the term of Ahila Sornarajah (United Kingdom), Fan Kejun (China) was elected for the remainder of the term of Sun Zhi (China) and Abderahmane Zino Izourar (Algeria) was elected for the remainder of the term of Mehdi Remaoun (Algeria); on 29 April 2021, Eleanor Petch (United Kingdom) was elected for the remainder of the term of Philip Dixon (United Kingdom) and Medard Ainomuhisha (Uganda) was elected for the remainder of the term of Duncan Laki (Uganda).

⁸ [ISBA/26/A/15](#).

⁹ [ISBA/26/A/16](#).

¹⁰ [ISBA/26/A/17](#).

¹¹ [ISBA/26/A/18](#).

¹² [ISBA/26/A/19](#).

¹³ [ISBA/26/A/20](#).

¹⁴ [ISBA/26/A/23](#).



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Kingston, 13–15 December 2021*

Agenda item 10

Report on the implementation of the strategic plan and high-level action plan of the International Seabed Authority for the period 2019–2023

Decision of the Assembly of the International Seabed Authority on the implementation of the strategic plan of the Authority for the five-year period 2019–2023

The Assembly of the International Seabed Authority,

Recalling its decision of 26 July 2018, at its twenty-fourth session, to adopt the strategic plan of the Authority for the period 2019–2023,¹

Recalling also its decision of 24 July 2019, at its twenty-fifth session, to adopt the high-level action plan for the Authority for the period 2019–2023 as well as key performance indicators against each of the strategic directions identified in the strategic plan,²

Having considered the reports of the Council,³ the Secretary-General⁴ and the Finance Committee⁵ providing the required information on the status of completion of the assigned high-level actions and outputs for the reporting period 2019–2020,

Committed to the further strengthening of the existing working practices of the Authority,

1. *Takes note* of the reports of the Council, the Secretary-General and the Finance Committee;
2. *Invites* members of the Authority and observers, as well as the organs of the Authority, to continue to support the implementation of the strategic plan and the high-level action plan;
3. *Invites* member States and other relevant stakeholders to provide the data necessary to ensure accurate reporting on progress towards the implementation of the strategic plan and the high-level action plan and the achievement of identified outputs.

*190th meeting
14 December 2021*

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ ISBA/24/A/10.

² ISBA/25/A/15 and ISBA/25/A/15/Corr.1.

³ ISBA/26/A/8-ISBA/26/C/23.

⁴ ISBA/26/A/2 and ISBA/26/A/2/Add.1.

⁵ ISBA/26/A/10-ISBA/26/C/21 and ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1.





Assembly

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[Sant]

Twenty-sixth session

Kingston, 13–15 December 2021*

Agenda item 13

Report and recommendations of the Finance Committee

Decision of the Assembly of the International Seabed Authority relating to financial and budgetary matters

The Assembly of the International Seabed Authority,

Taking into account the recommendations of the Council of the International Seabed Authority,¹

1. *Urges* the members of the Authority to pay as soon as possible their assessed contributions to the budget of the Authority, in full and on time;

2. *Appeals* to members of the Authority with outstanding contributions to the budget of the Authority, including from previous years, to pay them as soon as possible;

3. *Takes note of* the estimated financial and budgetary implications associated with the expected evolution of the Authority in the next 5 to 10 years and the need to ensure that it is equipped with the capacity and resources necessary to fulfil its obligations under the United Nations Convention on the Law of the Sea² and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982;³

4. *Appoints* Ernst & Young as the independent auditor for the Authority for the financial period 2021–2022.

*190th meeting
14 December 2021*

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ ISBA/26/C/56.

² United Nations, *Treaty Series*, vol. 1833, No. 31363.

³ *Ibid.*, vol. 1836, No. 31364.





Assembly

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Twenty-sixth session

Kingston, 13–15 December 2021*

Statement by the President on the work of the Assembly of the International Seabed Authority at its twenty-sixth session

1. The twenty-sixth session of the Assembly of the International Seabed Authority was declared open on 5 October 2020. Owing to the global travel limitations resulting from the coronavirus disease (COVID-19) pandemic, no in-person meetings were possible in July 2020, the originally scheduled date, and until late 2021. The Assembly managed to adopt a number of decisions on matters of a procedural nature and time-sensitive matters under silence procedure during the period from October 2020 to July 2021. In the end, the meetings of the Assembly were held in hybrid format on 13 and 14 December 2021 (187th–190th meetings), with the consideration of all agenda items completed one day ahead of schedule.

I. Adoption of the agenda

2. On 5 October 2020, under the agreed silence procedure, Kamina Johnson Smith (Jamaica), President of the Assembly for its twenty-fifth session, declared the opening of the twenty-sixth session.
3. On 6 November, the Assembly adopted the agenda of its twenty-sixth session¹ under silence procedure.
4. At its 187th meeting, on 13 December 2021, the Assembly took note of the decisions adopted by the Assembly under silence procedure in 2020 and 2021.²

II. Election of the President and Vice-Presidents of the Assembly

5. On 29 October 2020, following the nomination of the Group of Western European and Other States to preside over the Assembly, the Permanent Representative of France to the Authority, Denys Wibaux, was elected, under silence procedure, President of the Assembly for its twenty-sixth session. In November 2020, following consultations in the regional groups, the representatives of Nigeria (Group

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ ISBA/26/A/1.

² See ISBA/26/A/29.



of African States), Nauru (Group of Asia-Pacific States), Poland (Group of Eastern European States) and the Dominican Republic (Group of Latin American and Caribbean States) were elected Vice-Presidents under silence procedure.

III. Appointment and report of the Credentials Committee

6. On 13 November 2020, Canada, Chile, Costa Rica, Czechia, Lesotho, South Africa and Spain were appointed, under silence procedure, as members of the Credentials Committee for the twenty-sixth session of the Assembly. On 8 January 2021, Myanmar and Sri Lanka were appointed, also under silence procedure, as members of the Credentials Committee.

7. The Credentials Committee met in hybrid format on 9 December 2021 and elected Mohan Pieris (Sri Lanka) as its Chair. The Committee held a second meeting on 14 December, also in hybrid format, and examined the credentials of representatives participating in the twenty-sixth session.

8. At the 190th meeting, on 14 December, the Chair of the Credentials Committee presented the report of its Committee,³ which was approved by the Assembly at the same meeting.⁴

IV. Statement by the President of the Council on the work of the Council during the twenty-sixth session

9. At the 187th meeting of the Assembly, the President of the Council, Rear Admiral (retired) Khurshed Alam (Bangladesh), made an oral report on the work of the Council during the twenty-sixth session, covering the first part, from 17–21 February 2020,⁵ the second part, from 6 to 10 December 2021,⁶ and the decisions adopted under silence procedure in 2020 and 2021.⁷ The Assembly took note of the report.

V. Requests for observer status in the Assembly

10. At its 187th meeting, the Assembly considered and approved two applications for observer status in the Assembly, one from the Sasakawa Peace Foundation⁸ and one from OceanCare,⁹ in accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly and the guidelines for observer status of non-governmental organizations with the International Seabed Authority.¹⁰

VI. Election to fill a vacancy on the Finance Committee

11. The following elections were conducted under silence procedure in 2020 and 2021, in accordance with section 9, paragraph 5, of the annex to the 1994 Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982: on 26 November 2020, Fujimoto Shoko (Japan)

³ ISBA/26/A/30.

⁴ See ISBA/26/A/31.

⁵ See ISBA/26/C/13.

⁶ See ISBA/26/C/13/Add.1.

⁷ See ISBA/26/C/48.

⁸ ISBA/26/A/INF/1.

⁹ ISBA/26/A/INF/2.

¹⁰ ISBA/25/A/16, annex.

was elected for the remainder of the term of Onuma Hiroshi (Japan),¹¹ Philip Dixon (United Kingdom of Great Britain and Northern Ireland) was elected for the remainder of the term of Ahila Sornarajah (United Kingdom),¹² Fan Kejun (China) was elected for the remainder of the term of Sun Zhi (China)¹³ and Abderahmane Zino Izourar (Algeria) was elected for the remainder of the term of Mehdi Remaoun (Algeria);¹⁴ and on 29 April 2021, Eleanor Petch (United Kingdom) was elected for the remainder of the term of Philip Dixon (United Kingdom)¹⁵ and Medard Ainomuhisha (Uganda) was elected for the remainder of the term of Duncan Laki (Uganda).¹⁶

12. At the 187th meeting of the Assembly, Christopher Hilton (United Kingdom) was elected for the remainder of the term of Ms. Petch (United Kingdom),¹⁷ Kajal Bhat (India) was elected for the remainder of the term of Yedla Umasankar (India)¹⁸ and Thiago Poggio Pádua (Brazil) was elected for the remainder of the term of Reinaldo Storani (Brazil).¹⁹ The Assembly expressed its condolences to the Government of Brazil and the family of Mr. Storani for the passing away of Mr. Storani on 2 May 2021.

VII. Annual report of the Secretary-General

13. At the 188th meeting of the Assembly, on 13 December 2021, the Secretary-General presented to the Assembly his report²⁰ submitted in accordance with article 166, paragraph 4, of the United Nations Convention on the Law of the Sea. In doing so, the Secretary-General focused on the most recent information, as contained in document [ISBA/26/A/2/Add.1](#).

14. At its 188th and 189th meetings, on 13 and 14 December, the Assembly conducted a general debate on the annual report of the Secretary-General. Two regional groups and 26 members of the Authority made statements in person²¹ and 13 members made statements virtually,²² while two observers made statements in person and three observers did so virtually.

15. Delegations thanked the Secretary-General for his report and congratulated him on his re-election. Most delegations commended the efforts and work of the Legal and Technical Commission and the Finance Committee, as well as those of the secretariat in 2020 and 2021, in spite of the difficulties created by the COVID-19 pandemic.

¹¹ See [ISBA/26/A/3](#).

¹² See [ISBA/26/A/6](#).

¹³ See [ISBA/26/A/11](#).

¹⁴ See [ISBA/26/A/13](#).

¹⁵ See [ISBA/26/A/21](#).

¹⁶ See [ISBA/26/A/22](#).

¹⁷ See [ISBA/26/A/26](#).

¹⁸ See [ISBA/26/A/27](#).

¹⁹ See [ISBA/26/A/28](#).

²⁰ See [ISBA/26/A/2](#) and [ISBA/26/A/2/Add.1](#), as well as a fully illustrated and separate report, entitled "Achieving the sustainable use of deep-sea minerals for the benefit of humankind", which is available at https://isa.org.jm/files/files/documents/ISA_Annual_Report_2020_ENG_0.pdf.

²¹ Argentina, Bangladesh, Brazil, Costa Rica (also on behalf of the Group of Latin American and Caribbean States), Chile, Cuba, Dominican Republic, Ecuador, Egypt, France, Ghana (on behalf of the Group of African States), Jamaica, Japan, Kiribati, Mexico, Micronesia (Federated States of), Morocco, Nauru, New Zealand, Netherlands, Nigeria, Russian Federation, Sierra Leone, Spain, Tonga, Trinidad and Tobago and United Kingdom of Great Britain and Northern Ireland.

²² Australia, Cameroon, China, Guyana, Fiji, India, Indonesia, Italy, Myanmar, Philippines, Poland, Singapore and Viet Nam.

16. A number of delegations noted with appreciation the hybrid format used for the meeting and asked that all measures be taken to ensure the widest and most effective participation of delegations and stakeholders in such a format, should it not be possible to hold the meetings in person because of constraints imposed by the COVID-19 pandemic.
17. Many delegations called upon those members that were in arrears with the payment of their contributions to the administrative budget of the Authority to make contributions as soon as possible. They also called upon members, observers and other stakeholders to make contributions to the voluntary trust funds administered by the Authority.
18. With regard to the regulatory framework for activities in the Area, many delegations noted with appreciation the road map adopted by the Council until the end of 2022 for considering the draft regulations on exploitation and the associated standards and guidelines. Several delegations highlighted that contracts for exploitation should not be granted until consensus on the legal regime was reached. Some delegations emphasized that the Mining Code must above all ensure the effective protection of the marine environment and that regional environmental management plans should be in place before any mining activities started in the region concerned.
19. Delegations welcomed the report on the contribution of the Authority to the achievement of the 2030 Agenda for Sustainable Development and noted with appreciation that the work of the Authority currently contributed to the realization of 12 of the Sustainable Development Goals.
20. Many delegations noted with appreciation the programmatic approach to capacity-building for developing States, the nomination of focal points for that purpose and the training opportunities provided by contractors and national or regional training webinars organized by the secretariat. They encouraged the secretariat to hold more such training webinars in the future. Several delegations welcomed the outreach efforts of the secretariat, in particular through the establishment of the new “Deep-DiplomaSea” webinar series and the forthcoming conference on women in the law of the sea.
21. A number of delegations highlighted the importance of the operationalization of the Enterprise. One group called for the appointment of an interim director general of the Enterprise by the end of 2023.
22. One regional group and some delegations expressed regret that the Council had not been able to reach consensus on the process for the election of the members of the Legal and Technical Commission and hoped that it could soon agree on such a process to ensure not only appropriate geographical representation of its members but also the right balance of expertise, in particular considering the need to make progress on the draft regulations on exploitation and the associated standards and guidelines.
23. Many delegations commended the work of the secretariat in promoting marine scientific research and encouraged further cooperation with other international organizations, contractors and other stakeholders.
24. A number of delegations welcomed the continued participation of the secretariat in the negotiations on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction. They highlighted the importance of ensuring the consistency of such an instrument with the Convention and the 1994 Agreement and of ensuring harmonization, complementarity and coherence between the instrument and the draft regulations on exploitation, through coordination and cooperation.

25. Delegations thanked the Government of Jamaica for its hospitality and its strong commitment and efforts in making the meeting in hybrid format possible.

VIII. Implementation of the strategic plan and high-level action plan of the Authority for the period 2019–2023

26. At its 190th meeting, the Assembly took note of the reports on the implementation of the strategic plan and high-level action plan of the Authority for the period 2019–2023.²³

IX. Tribute to the memory of the late Satya N. Nandan

27. At the 187th meeting of the Assembly, the Secretary-General made a statement in memory of the late Satya N. Nandan, the first Secretary-General of the Authority, who had passed away on 26 February 2020. After recalling the career of Mr. Nandan as a successful diplomat and negotiator and his contribution to the development of the law of the sea and the operation of the Authority, the Secretary-General highlighted, *inter alia*, Mr. Nandan's belief in a multilateral approach to resolving problems through the rule of law and in the capacity of the Convention and its related implementation agreements to deliver sustainable development and prosperity for the whole of humankind.

28. The Assembly observed one minute of silence to pay tribute to the memory of Mr. Nandan.

X. Contribution of the International Seabed Authority to the United Nations Decade of Ocean Science for Sustainable Development

29. On 3 December 2020, in line with the schedule and modalities concerning the organization of work for the twenty-sixth session adopted, under silence procedure, by the Assembly on 20 November 2020 to allow for an exchange of views among members of the Assembly, the members were invited to submit written statements in respect to the report of the Secretary-General on the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable Development.²⁴ The statements received were made available on the website of the Authority.

30. On 14 December, the Assembly was invited to consider the aforementioned report and to adopt a draft decision relating to the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable Development.²⁵ The Assembly adopted such a decision on 17 December.²⁶

31. At the 188th meeting of the Assembly, the Secretary-General, when presenting his annual report to the Assembly, also reported on the implementation of the action plan of the Authority in support of the United Nations Decade of Ocean Science For Sustainable Development.²⁷ After considering the report, the Assembly decided to: (a) take note of the information provided in the report; (b) request the Secretary-

²³ [ISBA/26/A/8-ISBA/26/C/23](#) and [ISBA/26/A/9](#).

²⁴ [ISBA/26/A/4](#).

²⁵ *Ibid.*, annex II.

²⁶ See [ISBA/26/A/17](#).

²⁷ See [ISBA/26/A/25](#).

General to continue his efforts to mobilize resources to provide financial support for the implementation of the strategic research priorities under the Action Plan for Marine Scientific Research; and (c) encourage all members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private persons to contribute to the implementation of the Action Plan for Marine Scientific Research.

XI. Report of the Finance Committee and adoption of the budget of the Authority

32. On 28 December 2020, in line with the decision of the Assembly concerning the schedule and modalities for the organization of work of its twenty-sixth session, and noting that the Council had adopted on 24 December 2020 a decision relating to the budget of the Authority for the financial period 2021–2022,²⁸ the Assembly was invited to consider the report and recommendations of the Finance Committee²⁹ and to adopt a draft decision relating to the budget of the Authority for the financial period 2021–2022.

33. On 31 December 2020, the Assembly adopted such a decision under silence procedure.³⁰

34. At its 190th meeting, the Assembly considered the report of the Finance Committee,³¹ in particular on remaining items. Taking into account the recommendations of the Council in its decision relating to financial and budgetary matters,³² the Assembly adopted a decision relating to financial and budgetary matters at the same meeting.³³

35. A number of delegations welcomed the report of the Financial Committee on the development of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area. In the context of the general debate on the annual report of the Secretary-General, one regional group suggested that a webinar be held for further information and discussion on the models analysed for benefit-sharing in the report, including a detailed exploration of the proposed global seabed sustainability fund. One regional group considered that the proposals by the Committee for equitable sharing should warrant further consideration and recommended that the secretariat prepare a summary that would facilitate further deliberations and policy considerations on the subject. The same group and two delegations welcomed the proposal to establish a seabed sustainability fund to support global public goods and highlighted that such a fund should be kept separate from any environmental compensation fund. One delegation highlighted the importance of taking future generations into account when considering benefit-sharing. One delegation also shared its preliminary suggestions concerning the implementation of article 82, paragraph 4, of the Convention.

XII. Election of the Secretary-General

36. On 30 November 2020, in line with the decision of the Assembly concerning the schedule and modalities for the organization of work of its twenty-sixth session, the

²⁸ ISBA/26/C/26.

²⁹ See ISBA/26/A/10-ISBA/26/C/21.

³⁰ ISBA/26/A/19.

³¹ See ISBA/26/A/10-ISBA/26/C/21 and ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1.

³² ISBA/26/C/56.

³³ ISBA/26/A/33.

Assembly was invited to elect the Secretary-General of the Authority for a four-year term commencing on 1 January 2021, in accordance with article 160, paragraph 2 (b), of the Convention. In that regard, the Assembly was also invited to note that, on 19 November 2020, the Council had adopted a related decision.³⁴ A draft decision of the Assembly concerning the election of the Secretary-General³⁵ was placed under silence procedure.

37. On 3 December, the Assembly elected Michael W. Lodge (United Kingdom) as Secretary-General of the Authority for a four-year term from 1 January 2021 to 31 December 2024.³⁶

XIII. Election to fill vacancies on the Council, in accordance with article 161, paragraph 3, of the United Nations Convention on the Law of the Sea

38. In line with the decision of the Assembly concerning the schedule and modalities for the organization of work of its twenty-sixth session, a draft decision concerning the election to fill vacancies on the Council was scheduled to be circulated on 30 November 2020 and placed under silence procedure for adoption, but was eventually rescheduled to be tabled on 7 December 2020. On 7 December, the President urged the Group of Western European and Other States to nominate the candidates for election to fill the vacancies on the Council as soon as possible.

39. On 26 February 2021, a draft decision of the Assembly relating to the election to fill the vacancies on the Council in accordance with article 161, paragraph 3, of the Convention was placed under silence procedure.

40. On 3 March, the Assembly elected 19 members of the Council for the term from 1 January 2021 to 31 December 2024, subject to an agreed rotation arrangement.³⁷

XIV. Other matters

Museum of the Authority in honour of Nii Allotey Odunton

41. On 9 October 2020, a note verbale was received by the secretariat from the Permanent Mission of Ghana to the United Nations, which contained a draft decision of the Assembly, submitted by the African Group, to name the museum of the Authority in honour of Nii Allotey Odunton, the second Secretary-General of the Authority.³⁸

42. On 26 November 2020, the Assembly adopted under silence procedure a decision to name the museum of the Authority in honour of Mr. Odunton.³⁹

Extension of the terms of office of the current members of the Finance Committee

43. Considering that the five-year terms of office of the current members of the Finance Committee started on 1 January 2017 would expire on 31 December 2021, the period of time required for nomination and the circulation process for the election of the Committee members and the need to ensure the continued effectiveness of the

³⁴ ISBA/26/C/25.

³⁵ ISBA/26/A/L.2.

³⁶ See ISBA/26/A/16.

³⁷ See ISBA/26/A/20.

³⁸ See ISBA/26/A/14.

³⁹ See ISBA/26/A/15.

Committee in fulfilling its functions, the Assembly was invited on 21 June 2021 to consider and adopt, on an exceptional basis, a draft decision concerning a one-year extension of the terms of office of the current members of the Committee.

44. The Assembly adopted the decision under silence procedure on 6 July 2021. Accordingly, the terms of the office of the current members of the Finance Committee were extended by one year, such that they would expire on 31 December 2022.⁴⁰

Third edition of Secretary-General's Award for Excellence in Deep-Sea Research

45. The Secretary-General presented the third edition of his Award for Excellence in Deep-Sea Research to Kirsty McQuaid (South Africa), a postdoctoral research fellow at the University of Plymouth. The Secretary-General expressed his appreciation to the Government of Monaco for its contribution in support of the Award.

XV. Dates of the next session of the Assembly

46. The twenty-seventh session of the Assembly will be held from 1 to 5 August 2022. It will be the turn of the Group of Asia-Pacific States to nominate a candidate for the presidency of the Assembly at its twenty-seventh session.

⁴⁰ See [ISBA/26/A/23](#).



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Draft regulations for exploitation of mineral resources in the Area

Comments on the draft regulations on the exploitation of mineral resources in the Area

Note by the secretariat

I. Introduction

1. During the second part of the twenty-fifth session, in July 2019, the Council of the International Seabed Authority considered a revised version of the draft regulations on exploitation of mineral resources in the Area prepared by the Legal and Technical Commission ([ISBA/25/C/WP.1](#)), together with a note from the Commission providing an overview of the key matters relating to the fine-tuning of the regulatory text and highlighting specific areas that require further work ([ISBA/25/C/18](#)). The Council noted with satisfaction the interactive discussion during its meetings on the draft regulations and welcomed the proposals and observations presented by member States and observers. It decided that additional written comments on the draft regulations, including specific drafting suggestions, could be sent to the secretariat no later than 15 October 2019 and requested the secretariat to prepare a compilation of the proposals and observations sent by members of the Council and a compilation of proposals and observations sent by other States members of the Authority, observers and other stakeholders, to be submitted by the President of the Council and published no later than 30 December 2019, for consideration by the Council at its twenty-sixth session ([ISBA/25/C/37](#)).

2. At the time of reporting, the secretariat had received 39 submissions of comments on the draft regulations. The breakdown of the submissions is as follows: members of the Council (19); other States members of the Authority (8); observer States (1); intergovernmental organizations (2); non-governmental organizations (6); International Seabed Authority contractors (2); and other stakeholders (1). The submissions have been compiled and made available on the website of the Authority

* [ISBA/26/C/L.1](#).



in accordance with the Council's decision.¹ In addition, a conference room paper reflecting the textual proposals made by members of the Council has been prepared and is also available on the website of the Authority.

3. The present note supplements the discussions held in the Council in July 2019 by providing a broad overview of the main issues raised in the written submissions. An overview of general points arising from specific regulatory provisions is provided in the annex to the present note. Apart from observations in relation to an environmental compensation fund, the note does not include points raised in connection with the development of the economic model and the financial terms of contracts, which are currently being considered by an open-ended informal working group of the Council (ISBA/24/C/8/Add.1, para. 12 and annex II).

4. Many of the written submissions contain drafting and stylistic suggestions, as well as indications of issues that may benefit from further reflection and common understanding, and requests for clarification related to the content and purpose of a number of regulatory provisions. Detailed comments were also made on the content of some of the annexes to the draft regulations. The need to review the translations of certain terms and provisions was also noted.

II. Issues arising from the submissions

A. General observations

5. The continuous improvement in the content and drafting of the regulatory text was generally welcomed, while it was noted that further work was required on certain aspects, including with a view to ensuring consistency with the provisions of the United Nations Convention on the Law of the Sea and the Agreement relating to the Implementation of Part XI of the Convention. In that regard, the need to avoid paraphrasing the Convention, and to instead refer to its relevant articles where needed, was stressed.

6. The importance of advancing work on the draft regulations in parallel to and in a manner complementary to the necessary standards and guidelines continued to be highlighted, and the need to develop such standards and guidelines before the adoption of the exploitation regulations or prior to the approval of the first plan of work was emphasized in some submissions. Views were expressed on the required timing of the development of certain standards and guidelines, and specific standards and guidelines were suggested that would be necessary besides those indicated in the current draft regulations. The need for transparency and inclusiveness in the development of standards and guidelines was emphasized. It is noted that the Commission proposed, and the Council took note of, a process and schedule for the development of the necessary guidelines in 2020 (ISBA/25/C/19/Add.1, enclosure I), and the Commission is expected to advance consideration of a number of guidelines at its next session, in particular those that, as it suggested, need to be in place by July 2020 and those to be initiated immediately but completed after July 2020.

7. In some submissions, the importance of adhering to the schedule approved by the Council and completing the regulatory framework for exploitation in 2020 was stressed. On the other hand, the view was expressed that respecting a self-imposed deadline should not come at the expense of the quality of the regulatory framework. In some submissions, attention was drawn to the work of the ongoing intergovernmental conference on an international legally binding instrument under

¹ See www.isa.org.jm/legal-instruments/ongoing-developmentregulations-exploitation-mineral-resources-area.

the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction.

8. The submissions continued to highlight the importance of operationalizing the common heritage of mankind in the regulations. Several submissions called for striking the right balance between a number of aspects and interests, including between exploitation and economic development on the one hand and environmental protection on the other, between the equitable sharing of benefits and sound commercial principles, and between the different categories of States (i.e. sponsoring States, flag States, coastal States and port States) and stakeholders. In particular, the rights and legitimate interests of coastal States were emphasized, with suggestions made for mechanisms of consultation, prior notification and exchange of information, and the inclusion of relevant coastal States in the preparation of emergency response and contingency plans. The need to protect the economies of States from the effects of activities in the Area was also raised. With regard to the latter issue, it is noted that the secretariat will be undertaking a study of the potential impact of mineral production from the Area on the economies of developing land-based producers of those minerals.

9. While it was generally recognized in the submissions that the effective implementation of the regulations would require some level of delegation of tasks, the continued need to clarify, throughout the regulatory text, the role of the various organs of the Authority and to respect their mandates was also highlighted. The submissions again contained a range of views with regard to the consistency with the Convention and the appropriateness of certain powers assigned to the Secretary-General and, in some cases, to the Commission under the draft regulations. On the other hand, some submissions indicated that additional approval mechanisms should be delegated to the Secretary-General, given the time interval between meetings of the various organs of the Authority. In addition, suggestions were made for tasks to be assigned to the Finance Committee, noting that its role was currently limited to matters concerning the environmental compensation fund. It is noted that, during the twenty-fifth session, the Commission concurred that the development of an operational policy document by the Council, including guidance on delegated decision-making and a clearer understanding of the roles and responsibilities of sponsoring States and flag States (see para. 10 below), would provide further clarity in the regulatory text and implementation ([ISBA/25/C/18](#), para. 7).

10. The need to further clarify the roles and responsibilities of the various regulators (e.g. the Authority, sponsoring States and flag States) continued to be emphasized. It was suggested to specifically state in the regulations that no new obligations would be created for States parties that were not acting as sponsoring States. It is noted that the study on the interface of competencies between the Authority and the International Maritime Organization is available on the Authority's website.² In this connection, the Commission will continue to consider whether the approach taken in draft regulation 30 is sufficient at this stage and to make recommendations to the Council in relation to the content of annex VI to the draft regulations concerning a health and safety plan and a maritime security plan.

11. The timelines set out in the draft regulations continued to be a focus of comments, with different views expressed on the duration and extension periods of contracts, as well as comments made that some timelines were missing in certain regulations, while existing timelines might be too long or, given the potential complexity of documentation review processes, certain prescribed periods might be too short, including in the light of the meeting schedules of decision-making organs. A suggestion was made to include a provision allowing the Secretary-General to grant

² Available at www.isa.org.jm/document/competencies-isa-and-imo.

the extension of a time frame, subject to certain conditions. It is noted that the issue of timelines is still under review by the Commission and the Council (ISBA/25/C/18, para. 6).

12. The need to provide opportunities for public consultations at the various stages of the approval and renewal processes for the plan of work continued to be stressed.

13. The importance of protecting contractors' rights and ensuring the stability of exploitation contracts and of the regulations was emphasized, with concerns expressed that the current text of the regulations allowed the Authority to change the regulations and that certain provisions defeated the principle that the contract may be revised only with the consent of the contractor and the Authority.

14. Requests were made to further review the fees imposed under the regulations, with concerns expressed regarding costs to the contractors and the overlap of payments of exploration and exploitation fees.

15. While suggestions were made to specifically indicate that the regulations apply to polymetallic nodules, polymetallic sulphides and ferromanganese crusts, in other submissions it was suggested that the regulations should better take into account the differences in the exploitation of those minerals.

16. The importance of capacity-building for developing countries was emphasized, with a suggestion that the regulations be accompanied by a clear and measurable work plan to strengthen capacity and transfer technology.

B. Key thematic issues requiring further attention

17. In addition to the general observations above and to matters concerning financial aspects (see para. 3 above), the key thematic areas set out below emerged from the submissions as requiring further attention.

1. Protection and preservation of the marine environment

18. It was generally recognized in the submissions that further work was required concerning the provisions of the regulations related to the protection of the marine environment to ensure the highest possible environmental standards. This included further consideration of how to better operationalize such principles and approaches as the polluter pays principle, the precautionary approach/principle and an ecosystem approach; the review of contractors' compliance with environmental obligations; providing for the possibility of relying on independent expertise at the various stages of the process, including in monitoring and environmental assessments; and matters related to the role and status of regional environmental management plans.

19. In particular, with regard to regional environmental management plans, while it was emphasized in some submissions that the provisions of such plans should be binding and that fully developed and agreed plans should be made a condition for the approval of plans of work, in other submissions it was noted that the plans were non-legally binding policy instruments, and it was stressed that the modalities of the plans should be clarified and agreed before considering whether and how to include specific language on regional environmental management plans in the regulations.

20. In addition to those issues, the priority of developing standards or guidelines related to the marine environment, including for environmental impact assessments, the preparation of environmental impact statements, environmental management and monitoring plans and closure plans, was emphasized in the submissions. Suggestions were made that all matters related to environmental protection should be set out in standards. It was noted, however, that the relationship between environmental

standards, environmental management systems, environmental impact statements and environmental management and monitoring plans (draft regulations 45 to 48) required further clarification, including with regard to content, output, workflow and the primary implementing entity. It is noted that the Commission has established a technical working group tasked with undertaking the necessary work on environmental impact assessments, environmental impact statements and environmental management and monitoring plans for consideration at its meetings during the twenty-sixth session of the Authority, in accordance with the schedule for the development of guidelines under phase 1 ([ISBA/25/C/19/Add.1](#), enclosure I).

21. Suggestions were made to develop a manual for the monitoring and assessment of activities before, during and after the exploitation phase, including detailed methodologies for the establishment of environmental baselines. It is noted that the Commission has tasked a technical working group with undertaking the necessary work on the expected scope and standard of baseline data.

22. Concerns were expressed regarding the lack of consideration of climate change in the draft regulations, and suggestions were made to address that issue. A requirement to assess cumulative effects was also suggested.

2. Inspection, compliance and enforcement

23. In the submissions, the critical importance of ensuring that the Authority can review contractors' compliance with their obligations and apply appropriate penalties was generally emphasized. In that context, the need to give careful consideration to a number of aspects was highlighted, including the rights, obligations and responsibilities of all actors concerned in inspection activities; how the costs of an inspection mechanism would be borne by the Authority, contractors and/or sponsoring States; matters related to the establishment, composition, functions and conduct of a team of inspectors; the scope of inspection activities; and the criteria for triggering an inspection. A suggestion was made to develop rules and procedures for an inspection mechanism. It was also suggested that an inspection mechanism should be established before the onset of any exploitation activity. Attention was drawn to the merits of considering the experience of similar schemes in the context of the oil and gas industries and regional fisheries management organizations. The need for the inspection regime to be consistent with the exclusive jurisdiction of the flag State over its vessels on the high seas was noted. A proposal was made to establish a compliance committee.

3. Responsibility and liability

24. In several submissions, attention was drawn to the need to address issues concerning the responsibility and liability of various actors for ensuring that exploitation is undertaken in a safe and environmentally responsible manner. In particular, the issues raised included the liability of the various actors involved in cases of environmental harm; the exclusion of liability of a contractor for force majeure, and concerns about the potential impact of such clauses on the Authority and States; and matters related to the environmental compensation fund, including the purpose, modalities and legal status of such a fund, with concerns expressed regarding the use of such a fund for research and training purposes.

4. Recourse to independent expertise

25. The importance for the organs of the Authority, at their discretion, to invite independent experts to provide advice on specific matters, bearing in mind the need for consistency with the provisions of the Convention, was noted in some submissions. The need to further consider the mechanism for the provision of such

expertise, the types of expertise required and the role and selection of experts was noted. The Commission has also previously commented on some of these issues (ISBA/25/C/18, paras. 14 and 15; see also [ISBA/25/C/10](#)).

5. Other issues

26. Matters related to the Enterprise were raised, including the development of clear conditions, standards and procedures concerning joint ventures that would address, inter alia, their nature and legal status, the laws applicable to joint ventures and equity participation in joint ventures. It was emphasized that the Enterprise should be fully operational before the adoption of the exploitation regulations.

27. Among the other issues raised, the need to further clarify the provision on reasonable regard for other activities in the marine environment was noted in a number of submissions. Some submissions also included a suggestion of further consideration of the provisions of the regulations on the termination of sponsorship, the transfer of rights and obligations and change of control.

28. The issue of test mining was also raised, with suggestions that licensed and successful test mining be required for the approval of a plan of work and that the conditions, requirements and procedures under which test mining is to be conducted should be set out in a separate set of regulations.

29. In some submissions, the importance of adaptive management and of incorporating adaptive management principles in the draft regulations was emphasized. Suggestions were made to develop criteria and procedures for adaptive management to modify approved plans of work should new information arise concerning damage, areas of particular environmental importance or new technologies.

30. The provisions on the confidentiality of information drew a number of comments, with suggestions to further clarify what data and information are confidential by setting criteria or specifying which minimum data and information must be shared, including in relation to information to be published in the Seabed Mining Register.

III. Way forward

31. In anticipation of the twenty-sixth session of the Authority, the President of the Council during its twenty-fifth session, in a letter dated 22 November 2019, transmitted to the representatives of the members of the Council a briefing note regarding a way forward to develop the regulations on the exploitation of mineral resources in the Area at the twenty-sixth session of the Council, in which she proposed the establishment of one or two additional informal open-ended working groups of the Council with a mandate to facilitate the negotiation of the more complex issues related to the protection and preservation of the marine environment, mostly in part IV, as well as the related annexes, appendices and terms in the schedule; and in part XI, on the inspection mechanism, compliance and enforcement, as well as the related annexes, appendices and terms in the schedule.

32. In support of the discussions of the Council and the work to be carried out by the Commission concerning the regulations and the necessary associated standards and guidelines, and in accordance with the schedule for the development of guidelines under phase 1 proposed by the Commission, the background documentation set out below will be made available by the secretariat in the course of the twenty-sixth session.

33. On the basis of a request made by the Council in 2019, the secretariat, with the assistance of experts from the Massachusetts Institute of Technology, is developing a revised economic model, including a progressive ad valorem royalty, for consideration at the next meeting of the open-ended informal working group of the Council, to be convened on 13 and 14 February 2020.

34. The secretariat will also make available to the Council, for information purposes, a background study on the roles and responsibilities of the Authority and sponsoring States.

35. Studies and background notes will also be made available to the Commission in due course, including in response to its requests ([ISBA/25/C/18](#) and [ISBA/25/C/19/Add.1](#)), concerning the following:

(a) A gap analysis of existing and relevant international or national standards and guidelines;

(b) The application of health and safety management systems, including a review of existing international labour and health standards and of the interface of competencies of the Authority and the International Labour Organization;

(c) Insurance requirements under an exploitation contract and placing of insurance risk;

(d) Use of an exploitation contract as security;

(e) The environmental compensation fund, including the rationale, purpose and funding of such a fund, and how to ensure the adequacy of funding;

(f) Remote monitoring technology;

(g) The potential impact of mineral production from the Area on the economies of developing land-based producers of those minerals.

36. The secretariat has also undertaken to advance work to develop the draft text of standards and/or guidelines for the following:

(a) The preparation and assessment of an application for the approval of a plan of work for exploitation (draft regulations 7, 13–16, 25 and annexes I–III);

(b) The development and application of environmental management systems (draft regulation 46 and annex VII);

(c) Tools and techniques for hazard identification and risk assessment;

(d) The safe management and operation of mining support vessels (draft regulations 30 and 32);

(e) The form and calculation of an environmental performance guarantee (draft regulation 26);

(f) The preparation and implementation of emergency response and contingency plans (draft regulations 33 and 53 and annex V).

Annex

Matters arising from specific regulatory text

Part I

1. **Draft regulation 1 (Use of terms and scope).** Suggestions were made that the terms used in the regulations should have the same meaning as those in the United Nations Convention on the Law of the Sea, the Agreement relating to the Implementation of Part XI of the Convention and the rules, regulations and procedures of the International Seabed Authority, with concerns expressed that the generic reference to the “Rules of the Authority” was not accurate, including in the light of the definition of that term in the schedule.

2. **Draft regulation 2 (Fundamental policies and principles).** Concerns were expressed regarding the fact that this draft regulation does not include a distinction between those elements which are policies and those which are principles and that it also includes elements that may be considered to be approaches. Inconsistencies with article 150 of the Convention were also stressed. The need to define or further clarify some of the policies, principles and approaches listed was also noted. In particular, a number of suggestions were made regarding the formulation of the polluter pays principle (draft regulation 2 (e) (iv)). Suggestions were also made to strengthen the references to certain elements, including effective public participation (e.g. draft regulation 2 (e) (vii)), and to include additional elements.

3. **Draft regulation 3 (Duty to cooperate and exchange of information).** In the submissions, concern was generally expressed about the qualifier “use their best endeavours to” in this draft regulation and throughout the text, and it was noted that this weakened the relevant obligations, including that of cooperation. The need to further clarify the scope of what constitutes data and information that are “reasonably necessary” and the modalities for providing that information were noted, with suggestions that guidelines be developed in that regard.

4. **Draft regulation 4 (Protection measures in respect of coastal States).** The submissions sought to elaborate on the notification and consultation mechanisms and set out more clearly the roles and responsibilities of the various organs of the Authority. Suggestions were made concerning procedures to notify and consult with coastal States regarding potential and actual serious harm; the modalities of the issuance of emergency orders and compliance notices; and matters relating to compensation measures in cases where serious harm cannot be contained or mitigated or the marine environment rehabilitated. Support was expressed for the development of guidelines for the assessment of what constitutes serious harm to the marine environment, and concerns were expressed that serious harm was too high a threshold. It is noted that the Legal and Technical Commission has recommended that guidelines be put in place to address a number of those issues (ISBA/25/C/18, para. 11). In relation to the evidential standard for “clear grounds” to believe that serious harm is likely to occur, suggestions were made that standards rather than guidelines, or both, be developed in that regard.

Part II

5. **Draft regulation 5 (Qualified applicants).** Submissions highlighted the need for the applicant to demonstrate both the technical and economic capacity to undertake exploitation in the Area. Suggestions were made to reinsert a provision to the effect that an application for a plan of work would not be accepted for persons who had previously conducted unauthorized activities. The need to clarify the notion

of effective control in this draft regulation and throughout the text was emphasized, as was the need to clarify the term “competent authority” in relation to the Enterprise.

6. **Draft regulation 7 (Form of applications and information to accompany a plan of work).** Concerns were expressed about the undertaking to comply with national laws, regulations and administrative measures in draft regulation 7 (2) (d) for different reasons. The point was made that the current version of this provision might allow a situation where a contractor – when sponsored by more than one State – would have to comply with national laws, regulations and administrative measures that, albeit consistent with the Convention, might be incompatible with one another. It was also noted that the determination of compliance with such laws, regulations and measures was a matter for the sponsoring State to decide, not for the Authority. Suggestions for additional information to be provided with a plan of work were made. The possibility for the Commission not to approve an application, should the information provided not be considered adequate, was also suggested.

7. **Draft regulation 10 (Preliminary review of application by the Secretary-General).** Where the Secretary-General is from the sponsoring State, it was suggested that consideration should be given to some form of provision to avoid a real or perceived conflict of interest. In the submissions, the need to clarify matters concerning the determination of an applicant’s preference and priority, including the competent organ of the Authority to do so, was noted.

8. **Draft regulation 11 (Publication and review of the environmental plans).** Suggestions were made to clarify the review process and increase openness and transparency in the process, including by requiring that the Commission provide rationales for its recommendations, addressing conflicts of interest and providing for the possibility for the Commission to call on independent experts in carrying out its assessment.

9. **Draft regulation 12 (General).** Clarification was sought on the reference to “independent competent persons”, and it was noted that different terms were used throughout the draft regulations, such as “recognized experts”, “other experts” and “independent scientists”. In particular, questions arose as to how they differed from each other, who would be considering and selecting those individuals and where lists of such persons would be made available.

10. **Draft regulation 13 (Assessment of applicants).** Additional criteria for assessing applicants were suggested, including in relation to the protection of the marine environment, consultation with users conducting other activities in the marine environment, in particular the laying of submarine cables, and records of the past performance of applicants. It was suggested that the draft regulation provide for an assessment of compliance with the fundamental principles (draft regulation 2). The importance for the applicant to fulfil the criteria at the time of application, not in the future, was emphasized. Clarifications were sought on the obligations owed by the applicant to the Authority in draft regulation 13 (1) (d) and on the notion of “key environmental parameters” in draft regulation 13 (3) (b). Inconsistencies between the title of the draft regulation and its content were noted in the light of the fact that the draft regulation also includes matters related to the assessment of the application.

11. **Draft regulation 15 (Commission’s recommendation for the approval of a plan of work).** It was emphasized in a number of submissions that a plan of work should not be approved if it did not demonstrate effective protection of the marine environment. In that regard, suggestions were made to provide greater discretion to the Commission in refusing to approve a plan of work or approving it with conditions, including following an assessment against the fundamental principles set out in draft regulation 2.

12. **Draft regulation 16 (Consideration and approval of plans of work).** Issues related to conflicts of interest were raised, with a suggestion to consider whether members of the Council who represent sponsoring States should have to recuse themselves owing to potential conflicts of interest. The need to specify a procedure for disputes concerning a decision of the Council disapproving a plan of work and to include a means of settling disputes was noted, with a suggestion to add a reference to paragraph 12 of section 3 of the annex to the 1994 Agreement, in addition to paragraph 11.

Part III

13. **Draft regulation 18 (Rights and exclusivity under an exploitation contract).** Suggestions were made to clearly state in this regulation that marine scientific research would not be impeded by a contractor's exclusive rights. Clarification was sought on the modalities to ensure that, if a contract relates to the exploitation of one category of resources, the contractor does not extract another category of resources. Clarification was also sought on the reference to the "relevant Guidelines" in paragraph 7.

14. **Draft regulation 19 (Joint arrangements).** Suggestions were made to establish clear conditions for the joint arrangements by stating the specific conditions for such arrangements with the Enterprise.

15. **Draft regulation 20 (Term of exploitation contracts).** This draft regulation drew a number of comments concerning the renewal process and timeline. In particular, a greater level of scrutiny of renewal applications was sought, including through not only the review of the contractor's environmental and regulatory performance, but also any other relevant information. On the other hand, it was argued that a contractor should not have to justify its wish to extend an exploration contract, as long as it met all regulatory requirements. Some submissions indicated a preference for the entire plan of work to be reviewed at the point of renewal and for the inclusion of a provision allowing the Authority to review a contractor's decision on whether a change constitutes a material change. It was suggested that environmental grounds be included among the reasons for the Council to disapprove a renewal. Suggestions were also made to establish a maximum exploitation time for an area by a contractor, such as the period of the initial contract plus two renewals or a maximum overall duration of the exploitation contract of 60 years.

16. **Draft regulation 21 (Termination of sponsorship).** The need to specify when the termination of sponsorship would take effect was emphasized. In that context, concerns were expressed that a reasonable period of time must be allowed to obtain a new sponsoring State given the practical and legal steps required to obtain sponsorship. It was suggested that termination of sponsorship should lead to the termination, or at least the suspension, of a contract. Suggestions were made to reinsert a former provision setting out that the contractor would not be relieved from any obligation or liability and would remain responsible and liable to the Authority for the performance of its obligations under its exploitation contract in the event of termination of sponsorship.

17. **Draft regulation 22 (Use of exploitation contract as security).** Concerns were expressed regarding the practicality of some of the requirements set out in this draft regulation, including the requirement that the beneficiary of an encumbrance undertake exploitation activities in the event of foreclosure. It was suggested that the Commission examine whether means in addition to those set out in regulation 22 exist to ensure that the beneficiary is in a position to undertake the exploitation activities in conformity with the contract. While some submissions sought a greater level of

scrutiny by the organs of the Authority in the context of this draft regulation, it was noted, on the other hand, that the granting of the right to exploit should also include the legal right to treat the exploitation contract as a normal financial asset as long as the third party was willing to accept all of the obligations imposed on the contractor; thus, the contractor should be obliged to inform all authorities and States involved of the change but should not require consent. Concerns were also expressed about the timing for gaining approval from the Council. The need to clarify the phrases “any internationally adopted standards for the extractive industries” and “properly regulated through a national financial conduct authority” in paragraph 4 (a) and (b) was noted in order to avoid legal uncertainty. It is noted that the Commission will further consider this issue ([ISBA/25/C/18](#), para. 19).

18. **Draft regulation 23 (Transfer of rights and obligations under an exploitation contract).** Suggestions were made that the transfer of rights should not require consent but rather a review by the Commission to ensure that the transferee meets all regulatory requirements, or that the Secretary-General should be allowed to authorize the transfer. The need to specify the criteria for not recommending the approval of the transfer under an exploitation contract for polymetallic sulphides and cobalt-rich ferromanganese crusts was noted in the light of the fact that article 6 (3) (c) of annex III to the United Nations Convention on the Law of the Sea addressed only polymetallic nodules. Issues were raised concerning the definition of a “material change” and the threshold for a change to be considered material. Clarification was sought concerning the legal nature and effect of the Seabed Mining Register in the light of the condition that, under the current draft regulation, the transfer would be validly effected only upon its recording in the Register.

19. **Draft regulation 24 (Change of control).** In the submissions, the need for further work on this draft regulation was noted, including in the light of the fact that a change of control could occur with less than a 50 per cent change in ownership and that a change of control might further lead to a change of the sponsoring State. Suggestions were made to provide for some role for the Council in reviewing a change of control. A concern was expressed with regard to treating a change of control as a transfer of rights and obligations, and a suggestion was made to elaborate further on how the transfer of rights and obligations provisions would be applied to a change of control.

20. **Draft regulation 25 (Documents to be submitted prior to production).** Clarification was sought on how the Secretary-General could/would assess the comprehensiveness of the feasibility study and determine the actual content of a material change. Suggestions were made to provide for a role for the Commission at the beginning of such an assessment. The need for the annexes to more clearly define the necessary elements of an economic scoping study and feasibility study was noted.

21. **Draft regulation 26 (Environmental performance guarantee).** Submissions drew attention to the need to address a number of aspects related to the environmental performance guarantee, including its scope, purpose and modalities, as well as the modalities of the repayment or release of the guarantee. Suggestions were made that the Finance Committee study the calculation method and the ceiling of the guarantee and make relevant recommendations to the Council, and that the form and amount of the guarantee be set out in standards rather than guidelines. It is noted that the Commission had previously considered that further discussion with relevant stakeholders was required in order to advance the content of this draft regulation ([ISBA/25/C/18](#), para. 21).

22. **Draft regulation 30 (Safety, labour and health standards).** It was noted that the level of safety regulation in this draft regulation was insufficient and not commensurate with the risks of the high-hazard offshore industry. Aspects that

required further consideration included the identification of hazards and the assessment of risks, measures to eliminate and control risks, monitoring, audit, review and continuous improvement, and safety management systems. The need to clarify and further discuss the reference to “relevant international shipping conventions” was also stressed. It is noted that the Commission has requested that the secretariat continue to explore these issues and report to the Commission ([ISBA/25/C/18](#), para. 24).

23. **Draft regulation 31 (Reasonable regard for other activities in the marine environment).** Comments focused on the interpretation of the “reasonable regard” obligation, and suggestions were made on how to operationalize it in the draft regulation. The elaboration of guidelines was suggested in that regard. On the other hand, it was also noted that reasonable regard obligations were obligations among States parties to the Convention and that it was not within the power of the Authority to regulate such matters.

24. **Draft regulation 35 (Human remains and objects and sites of an archaeological or historical nature).** The need to consider compensating the contractor should it be decided that exploration and exploitation activities must be discontinued as a result of this regulation was noted. In some submissions, attention was drawn to the fact that the United Nations Educational, Scientific and Cultural Organization might not be the only competent organization in the context of this draft regulation, including in the light of the requirements under the London Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter and the 1996 Protocol thereto.

25. **Draft regulation 36 (Insurance).** Clarifications were sought on a number of matters related to insurance, including the types of insured risks, the risks for which the Authority would be insured as an additional assured, the situations covered by the waiver of rights of recourse, and whether the responsibility or liability of the Authority for any damage arising out of wrongful acts in the exercise of its powers and functions would be covered by the insurance of the contractor. The Commission had previously noted that no further action could be taken on this draft regulation until the secretariat completed its review of insurance requirements and availability in the marketplace ([ISBA/25/C/18](#), para. 25).

Part IV

26. **Draft regulation 44 (General obligations).** In addition to the need to clarify a number of phrases and terms, such as “ensuring effective protection for the marine environment”, “harmful effects”, “damage to the marine environment”, “precautionary approach”, “risk assessment”, “risk management” and “response measures”, submissions indicated the need for greater clarity on the respective roles and responsibilities of the Authority, sponsoring States and contractors in this draft regulation, as previously noted by the Commission ([ISBA/25/C/18](#), para. 26). The importance of identifying common understandings of “Best Available Techniques,” “Best Environmental Practices,” “Best Available Scientific Evidence” and “Good Industry Practices” in the relevant guidelines was also noted.

27. **Draft regulation 46 (Environmental management system).** In the submissions, the need to clarify certain aspects related to environmental management systems was pointed out, including defining the term, clarifying the content of such a system and who would develop it, and setting out how it would differ from other related concepts, such as “environmental management and monitoring plan”, “regional environmental management plan” and “environmental impact assessment”. The Commission had previously indicated that the details of such a system, together

with relevant benchmarks and principles, should be set out in guidelines (ISBA/25/C/18, para. 28). Suggestions were made that a standard be issued instead.

28. **Draft regulation 47 (Environmental impact statement).** Bearing in mind that the Commission has recommended the priority development of guidelines and standards for environmental impact assessments and the preparation of environmental impact statements, the submissions addressed the need for the regulations and/or legally binding standards to address certain minimum aspects of an environmental impact assessment, such as the steps of an environmental impact assessment; the roles of the applicant or contractor, the Authority and the sponsoring State in the preparation, assessment and approval process for such assessments; the provision of public consultations on draft assessments as part of the approval process and the public availability of assessments once approved; a requirement to consult with relevant coastal States; a possibility for the Commission to require that certain conditions relating to the mitigation of environmental impacts be included in environmental management and monitoring plans; and specifying the minimum requirements for baseline data. Clarification was sought from the Commission on whether the environmental impact assessment at the exploration phase could not be considered to fulfil the screening and scoping process under paragraph 1 (b) of this regulation, and whether the procedures were compatible with each other.

29. **Draft regulation 48 (Environmental management and monitoring plan).** Suggestions were made concerning the content and review procedure for the plan. Clarifications were sought on the required environmental quality objectives and standards to be met, how to ensure compliance with the plan and the relationship between the environmental management and monitoring plan and regional environmental management plans.

30. **Draft regulation 50 (Restriction on mining discharges).** Further scientific research on the specific discharges resulting from the processing of the various minerals was noted as a precondition to further consider this draft regulation. Suggestions were made to develop guidelines on this issue, including with a view to avoiding asymmetrical obligations between parties to the London Convention and its Protocol and non-parties thereto.

31. **Draft regulation 52 (Performance assessments of the environmental management and monitoring plan).** It was noted that the Authority, through independent experts, should conduct the performance assessments of the environmental management and monitoring plan, not the contractor. A suggestion was made to spell out the instances of reasonable grounds for presuming that the performance assessment of the contractor would be unsatisfactory in paragraph 6 of this draft regulation.

32. **Section 5 (Environmental compensation fund).** There was a general sentiment that the purpose of such a fund should be restricted to that put forward by the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea in its advisory opinion of 1 February 2011 in relation to an environmental liability gap that may arise. Clarifications were sought on several aspects of the fund, including who would administer it, who would be able to seek compensation from the fund, the modalities of operation, as well as how the fund would be replenished and the optimum level of funds. Suggestions were made to establish other funds to finance research and training. Connections to the closure plan were also drawn. In response to the Commission's request for the secretariat to reflect on the discussions relating to this topic, with a view to advancing the rationale, purpose and funding of such a fund, and on how to ensure the adequacy of funding (ISBA/25/C/18, para. 31), a study will be made available in due course.

Part V

33. **Draft regulation 57 (Modification of a plan of work by a contractor).** It was suggested that the Secretary-General be supported by independent external experts in the task of determining whether a proposed change to a plan of work constitutes a material change. On other hand, preference was also expressed for the Council to make that determination. A suggestion was made that standards be developed to define and specify what would be considered a material change.

Part VI

34. **Draft regulation 59 (Closure plan).** Suggestions were made to strengthen this draft regulation, including through an obligation to implement management responses or demonstrate the capacity to implement them, by deleting references to cost-effectiveness and by including an obligation to remove all equipment and installations from the Area. Clarifications were sought on the terms “residual and natural environmental effects” and “necessary health and safety requirements”.

35. **Draft regulation 61 (Post-closure monitoring).** The need to determine the procedure to be followed in case the contractor does not comply with the closure plan or in case the actions contemplated in the closure plan do not deliver the desired results was stressed.

Part VIII

36. **Draft regulation 85 (Annual fixed fee).** Clarifications were sought on the annual fixed fee and on the term “commercial production”. The Commission had previously noted that this matter required further discussion ([ISBA/25/C/18](#), para. 33).

Part IX

37. **Draft regulation 89 (Confidentiality of information).** The need to further clarify what constitutes confidential information was noted, as was the need to ensure consistency between the duration of a contract and that of confidentiality, with a suggestion that confidentiality should be kept throughout the duration of a contract unless the contractor indicated otherwise. Other views questioned the retention as confidential of information concerning the environment for over two years or for academic reasons. On the other hand, it was noted that the current drafting of paragraph 4 could limit the possibility of protecting confidential information by indicating that the consent of the contractor for the communication of such information could not be unreasonably withheld. Suggestions were made to establish an administrative procedure in case of objections to the designation of information as confidential.

38. **Draft regulation 90 (Procedures to ensure confidentiality).** The need to further specify a non-disclosure procedure for the members of the Council, in addition to procedures for the Commission and the secretariat, was noted.

Part X

39. This part drew a number of comments focused on specifying more clearly the legal nature of the standards and of the guidelines, with the former being legally

binding and the latter being recommendatory, as well as the organs of the Authority competent to develop and adopt them. Suggestions were made regarding issues to be developed through standards and through guidelines, as well as regarding the priority to be given to their development. Clarifications were sought and suggestions made concerning the procedures for review and stakeholder consultations. As also recommended by the Commission, the need for the expression “consistent with” to be used when referring to standards throughout the regulations, while guidelines could be “taken into account”, was stressed in submissions. It is noted that the Commission had recommended processes for the development of standards and guidelines, including a step to allow for stakeholder consultations and comments. The adoption of standards by the Council and their approval by the Assembly had been considered in the suggested process. In that regard, the Commission had recommended that draft regulation 94 be amended to reflect that standards should be approved by the Assembly ([ISBA/25/C/19/Add.1](#), paras. 20–22).

Part XI

40. The comments made in respect of part XI (Inspection, compliance and enforcement) indicate that further work is required on this part, including with a view to ensuring its consistency with the Convention. Some issues are highlighted in paragraph 23 above. These matters are under review by the Commission ([ISBA/25/C/18](#), para. 36).

Annexes

41. The annexes drew comments of an editorial nature and requests for clarification. Suggestions were made for additional annexes, including the reinsertion of an annex on the environmental scoping report, and new annexes on regional environmental management plans, test mining and an administrative procedure concerning the confidential nature of data and information. Suggestions were also made to split annex VI into two annexes: one on the health and safety management plan and one on the maritime security plan. With regard to the annexes related to environmental matters, the Commission had noted that guidelines would need to be prepared and had considered it more efficient to deal with comments raised in respect of those annexes when guidelines are developed ([ISBA/25/C/18](#), para. 39).

Schedule

42. A number of additional terms were suggested for the schedule, along with suggestions to redraft certain definitions with a view to further clarifying the terminology and concepts. It is noted that the issue of good industry practice is under review by the Commission ([ISBA/25/C/18](#), para. 40).



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Report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

Implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

Report of the Secretary-General

I. Background

1. At its 258th meeting, held on 19 July 2019, the Council of the International Seabed Authority adopted a decision relating to the reports of the Chair of the Legal and Technical Commission (*ISBA/25/C/37*). In paragraph 26 of the decision, the Council requested that the Secretary-General report to it on the implementation of the decision at its twenty-sixth session and that such annual reporting remain on the agenda of the Council as a standing item. The present report has been prepared accordingly and provides an update on the implementation of the decision of the Council as at 2 December 2019.
2. Section II of the present report provides an update on the work in progress concerning the draft regulations on exploitation of mineral resources in the Area, in response to the matters addressed in paragraphs 2 to 10 of the decision of the Council.
3. Section III covers issues relevant to contractors, as raised in paragraphs 11 to 17 of the decision of the Council.
4. In response to paragraph 19 of the decision of the Council, environmental matters, including the drafting of environmental goals, objectives and principles, together with the development of regional environmental management plans, in particular where there are currently exploration contracts, are reviewed in section IV.
5. Section V provides an update on the implementation of the data management strategy of the Authority since the launch of the database, as mentioned in paragraph 20 of the decision of the Council.
6. In response to the concern about the sharp deficit in the voluntary trust fund, as noted by the Council in paragraph 23 of its decision, section VI of the present report provides an update on the balance of the fund.

* [ISBA/26/C/L.1](#).



7. Further progress on implementation will be the subject of an addendum that will be prepared for the second part of the twenty-sixth session.

II. Draft regulations on exploitation of mineral resources in the Area

8. In paragraph 2 of its decision, the Council welcomed the continued work of the secretariat and the Commission on the regulations on exploitation and requested that the Commission undertake work on standards and guidelines as a matter of priority. Consequently, the indicative programme of work for part I of the twenty-sixth session has been prepared in such a way as to enable the Council to continue its review of the draft regulations as a matter of priority, bearing in mind the process for the development of standards and guidelines proposed by the Commission, as set out in the report of the Chair of the Legal and Technical Commission on the work of the Commission at the second part of its twenty-fifth session ([ISBA/25/C/19/Add.1](#)).

A. Compilations of proposals and observations

9. Members of the Council will recall that, in July 2019, the Council met in an informal session to consider the draft regulations on the basis of the text issued by the Commission ([ISBA/25/C/WP.1](#)), along with a note by the Commission explaining the changes made to the text as well as areas requiring further consideration ([ISBA/25/C/18](#)). In paragraphs 7 and 8 of its decision, the Council decided that additional written comments on the draft regulations, including specific drafting suggestions, could be sent to the secretariat no later than 15 October 2019, and requested the secretariat to prepare a compilation of the proposals and observations sent by members of the Council and a compilation of proposals and observations sent by other States members of the Authority, observers and other stakeholders, to be submitted by the President of the Council and published no later than 30 December 2019, for consideration by the Council at its twenty-sixth session.

10. In response to the decision, 39 submissions were received by the secretariat from members of the Council, other States members of the Authority, observers and other stakeholders, and the submissions were posted on the website of the Authority in line with the above-mentioned request of the Council.¹ In addition to the compilations of proposals and observations sent and posted on the website, the secretariat prepared an overview of the main thematic issues raised in the written submissions ([ISBA/26/C/2](#)), as well as a conference room paper containing a compilation of the specific drafting proposals sent by members of the Council. In the overview, a set of critical areas is identified for discussion by the Council, with a view to advancing the work on the draft regulations.

11. Members of the Council will recall that, in respect of the development of a payment mechanism, the Council established an open-ended working group in 2018 to discuss the financial model (see [ISBA/24/C/8/Add.1](#), annex II). At its session in July 2019, the Council considered the report of the Chair of the open-ended informal working group on the outcome of its second meeting, held on 11 and 12 July 2019 ([ISBA/25/C/32](#)). The Council welcomed the progress made by the working group but recognized that further work still needed to be done. The Council therefore decided that the informal working group should convene its third meeting in 2020. Accordingly, the third meeting is scheduled for 13 and 14 February 2020.

¹ See www.isa.org/jm/legal-instruments/ongoing-development-regulations-exploitation-mineral-resources-area.

B. Standards and guidelines

12. The Council, in paragraph 3 of its decision, took note of the recommendations made by the Commission with regard to the outcomes of and suggestions made at the workshop held in Pretoria from 13 to 15 May 2019 on the development of standards and guidelines for activities in the Area (ISBA/25/C/19/Add.1, annex and enclosures I and II). In paragraphs 4 and 5 of its decision, the Council emphasized that any standards, draft environmental goals, objectives and principles required discussion and adoption by the Council, and expressed its intention to ensure the thorough and timely development of the regulations, bearing in mind that necessary standards and guidelines should be developed before the adoption of the regulations (see also section IV below).

13. At the first part of its session, to be held from 24 February to 6 March 2020, the Commission is expected to advance its consideration of a number of standards and guidelines, in particular those that, as it suggested, need to be in place by July 2020 and those to be initiated immediately but completed after July 2020. In that context, the Commission established two technical working groups to address standards and guidelines for environmental impact assessments and the preparation of an environmental impact statement and guidelines for the preparation of environmental management and monitoring plans on the one hand, and standards and guidelines on the expected scope and standard of baseline data collection on the other. To assist the Commission, the secretariat has also undertaken work, with the support of consultants where necessary, to develop, inter alia, the text of standards and guidelines for the preparation and assessment of an application for the approval of a plan of work for exploitation; for the development and application of environmental management systems; on tools and techniques for hazard identification and risk assessments; for the safe management and operation of mining support vessels; for the form and calculation of an environmental performance guarantee; and for the preparation and implementation of emergency response and contingency plans.

III. Activities of contractors

A. Issues relating to the 2018 annual reports

14. With reference to paragraphs 12 to 14 of the decision of the Council, the Secretary-General took the opportunity, at the third annual consultation between the Secretary-General and the contractors, held in Changsha, China, from 10 to 12 October 2019, to convey to the contractors the general comments made by the Commission in relation to the annual reports. Bilateral meetings were also held between individual contractors and the technical staff of the secretariat to review specific technical issues relating to those contractors. Twenty-six contractors were represented at the meeting.

15. Shortly after the meeting, for the purpose of resource reporting in annual reports, all contractors were reminded of the agreed mineral resource reporting template of the Authority.

16. As at 2 December 2019, individual feedback from the Commission in writing, including questions and requests for clarification, on the 2018 annual reports had been sent to each contractor. The final responses to the feedback from the Commission will be included in the contractors' annual reports for 2019, which are due by 31 March 2020.

17. The Secretary-General will continue to work with the contractors to address reporting issues.

B. Issues relating to the transparency of contracts

18. It was previously reported to the Council that work was currently in progress to draw up a summary template, for public release, that would cover the key elements of the non-standard provisions of each contract (see [ISBA/25/C/12](#), paras. 24–25). In this regard, at the meeting in Changsha, the format of the template was finalized,² and it was agreed that the Secretary-General would report on the decision of contractors to voluntarily submit the completed templates to the Council for publication and would inform the Council of the number of contractors that had already submitted the template at that time. It was agreed that contractors would submit completed templates on a rolling basis, but no later than 31 March 2020. Contractors further agreed to continue to explore whether there was any further information in the annual reports that could be categorized as non-confidential.

19. As at 2 December 2019, no contractor had submitted the template, although two contractors (the Federal Institute for Geosciences and Natural Resources of Germany and the Government of Poland) indicated that they had already published their contracts in full on their websites, as required by their respective national laws.

C. Contractor training programmes

20. In relation to the implementation of training programmes, as referred to in paragraph 17 of the decision of the Council, 25 training placements were awarded from July to December 2019. Details are provided in the annex to the present document.

D. Issues of alleged non-compliance by contractors

21. In relation to paragraph 13 of the decision of the Council, the Secretary-General has communicated in writing the various issues identified during the Commission's review of the annual reports of contractors to the relevant contractors and their sponsoring States and has held meetings with the contractors and the respective sponsoring States. The Secretary-General will continue to engage with those parties and is confident that any outstanding matters will be resolved.

22. In paragraph 15 of its decision, the Council requested the Secretary-General to report to it annually, identifying instances of alleged non-compliance and the regulatory action recommended or to be taken in accordance with the United Nations Convention on the Law of the Sea, the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 and the regulations on prospecting and exploration, including any monetary penalties to be imposed by the Council.

23. As at 2 December 2019, the Secretary-General had not identified any issues of alleged non-compliance.

IV. Environmental matters

A. Draft environmental goals, objectives and principles

24. In paragraph 4 of its decision, the Council emphasized that any standards, draft environmental goals, objectives and principles required discussion and adoption by the Council.

² The template will be made available to the Council in due course.

25. Pursuant to the decision, relevant information was compiled by the secretariat and transmitted to the Commission in support of its efforts to articulate environmental goals and objectives as part of its work on standards and guidelines, drawing on relevant provisions of the Convention, international commitments related to environmental goals and targets and relevant policy documents, and, where appropriate, relevant scientific literature.

B. Review and development of regional environmental management plans, in particular where there are currently exploration contracts

26. As members of the Council will recall, the development of regional environmental management plans is an essential element of the strategic plan for the period 2019–2023, adopted by the Assembly of the International Seabed Authority in 2018 (ISBA/24/A/10), which occupies a central position in the high-level action plan endorsed by the Assembly in 2019 (ISBA/25/A/15 and ISBA/25/A/15/Corr.1). The Council also considered it essential that the development of those plans be carried out under the auspices of the Authority through a transparent and coordinated process in the light of its jurisdiction under the Convention and the 1994 Agreement (see ISBA/24/C/8). Plans are established by a decision of the Council, on the recommendation of the Commission,³ and each contractor “undertakes ... to comply with ... the decisions of relevant organs of the Authority”, including those establishing regional environmental management plans.⁴

27. As in the case of the first-ever environmental management plan (established for the Clarion-Clipperton Fracture Zone in 2012), the establishment of regional environmental management plans is representative of environmental policy decisions that the Convention expressly empowers the Council to take. Those plans are embodied in Council decisions. The development of further plans wherever activity takes place, which is at the core of the strategic plan for the period 2019–2023, confirms the process to establish plans as environmental policy instruments. Moreover, the establishment of such plans represents one of the appropriate and necessary measures that the Authority may take in accordance with article 145 of the Convention to ensure effective protection of the marine environment from harmful effects that may arise from activities in the Area. The use of the term “measure” underlines its broad reach to encompass environmental policy nature instruments, such as regional environmental management plans.

28. In paragraph 19 of its decision, the Council encouraged the secretariat and the Commission to make progress on the development of regional environmental management plans, in particular where there are currently exploration contracts, while taking note of the report of the Secretary-General on the implementation of the Authority’s strategy for the development of regional environmental management plans for the Area (ISBA/25/C/13), including a programme of work to develop those plans through a series of workshops.

29. In accordance with the tentative schedule set out in document ISBA/25/C/13, several workshops have been planned during 2019 and 2020 to facilitate the review and development of regional environmental management plans.

30. An expert workshop on deep Clarion-Clipperton Zone biodiversity synthesis was convened by the secretariat and the Deep Clarion-Clipperton Zone (CCZ) Project

³ For an illustration of this process in the case of the environmental management plan for the Clarion-Clipperton Fracture Zone, see ISBA/18/C/22 and ISBA/17/LTC/7.

⁴ Annex IV, section 13.2 (b) of each set of regulations of the International Seabed Authority on prospecting and exploration.

and hosted by the University of Hawaii in Friday Harbor, United States of America, from 1 to 4 October 2019. The main objectives of the workshop included the following: (a) to review and analyse recent sea-floor ecosystem data from the Clarion-Clipperton Zone; (b) to synthesize patterns of biodiversity, biogeography, genetic connectivity, ecosystem function and habitat heterogeneity along and across the Clarion-Clipperton Zone; and (c) to assess the effectiveness of the existing network of areas of particular environmental interest, in particular its representativeness in relation to exploration contract areas. The workshop was an essential step in the review of the environmental management plan for the Clarion-Clipperton Zone, including the consideration of the potential need for additional areas of particular environmental interest. The report on the workshop will be made available on the workshop website⁵ and will be submitted to the Commission for its consideration during the first part of the twenty-sixth session.

31. A workshop on the regional management plan for the Area of the northern Mid-Atlantic Ridge was held in Évora, Portugal, from 25 to 29 November 2019, in collaboration with the Atlantic regional environmental management plan project (funded by the European Commission) and the Government of Portugal. The main objectives of the workshop included the following: (a) to review, analyse and synthesize scientific data and information on ecosystems and habitats of the northern Mid-Atlantic Ridge; (b) to review current exploration activity within contract areas and the distribution of resources (polymetallic sulphides) along the northern Mid-Atlantic Ridge; and (c) to describe potential areas that could be impacted by the exploitation of mineral resources in the Area and would require enhanced management measures, including through the designation of areas of particular environmental interest. As inputs for the workshop discussion, the following background documents were prepared and made available: (a) a data report in which 75 geographic information system overlays of biogeographical, physical, geological and biological data were compiled and synthesized; and (b) a draft regional environmental assessment report containing a descriptive analysis of the environment and mineral resources of the region. The report on the workshop will be made available on the workshop website and will be submitted to the Legal and Technical Commission for its consideration during the first part of the twenty-sixth session.

32. The scientific results of the above-mentioned workshop held in Portugal will provide inputs for the second workshop on the same region, which will be convened by the secretariat in Saint Petersburg, Russian Federation, from 15 to 19 June 2020, in collaboration with the Atlantic regional environmental management plan project and the Ministry of Natural Resources and Environment of the Russian Federation. The workshop will be focused on identifying environmental management measures for inclusion in the draft regional environmental management plan.

33. A second workshop on the development of a regional environmental management plan in the cobalt-crust area of the north-west Pacific will be convened by the secretariat in the province of Jeju, Republic of Korea, from 18 to 22 May 2020, in collaboration with the Ministry of Oceans and Fisheries of the Republic of Korea and the Korea Institute of Ocean Science and Technology, and will build on the work of the first workshop, held in Qingdao, China, in May 2018.

⁵ www.isa.org.jm/workshop/deep-ccz-biodiversity-synthesis-workshop.

V. Data management strategy

34. In paragraph 20 of its decision, the Council welcomed the secretariat's progress towards the implementation of the data management strategy of the Authority, including public access to non-confidential data.

35. Subsequently, the public launch of the International Seabed Authority database (DeepData) was carried out as part of the special commemorative session of the Assembly convened to celebrate the twenty-fifth anniversary of the Authority.

36. With its public launch, the environmental data have been made available for public access and use, which will further enhance the collective ability of humanity to protect the marine environment in the Area.

37. Furthermore, the secretariat organized a side event on DeepData at United Nations Headquarters on 26 August 2019, at the third session of the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, and delivered a presentation on the database at the International Conference on Legal, Scientific and Economic Aspects of Deep Seabed Mining, held in Kingston from 14 to 16 November 2019, and organized by the secretariat of the Authority and the Center for Oceans Law and Policy of the University of Virginia School of Law.

38. The secretariat continues its work on the following: (a) uploading of historical data submitted; (b) publication and quarterly updating of a list of all available files and a structured dataset on the DeepData website; and (c) finalization of the data management strategy report of the Authority, covering data identification, data storage, data provisioning, data processing and data governance, with a view to submitting it to the Commission in July 2020.

VI. Voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries in meetings of the Commission and of the Committee

39. In paragraph 23 of the decision, the Council noted with concern the sharp deficit in the voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries in meetings of the Commission and of the Committee, which was established in 2002.

40. As at 2 December 2019, the fund showed a negative balance of -\$12,559.84 after the costs of the two parts of the twenty-fifth session, in the amount of \$142,111, were recorded. Notes verbales were sent in September 2019 to urgently appeal to all members of the Authority to make contributions to the voluntary trust fund. While several requests for financial assistance had been received, no contributions had been made as at 2 December.

41. The urgency of the situation cannot be overstated, as the participation of several members of the Legal and Technical Commission at its next meeting, to be held from 24 February to 6 March 2020, could be compromised.

VII. Recommendations

42. The Council is invited to take note of the present report and to provide such guidance as may be necessary.

Annex

Contractor training programmes, July–December 2019

<i>Contractor</i>	<i>Training type</i>	<i>Number of trainees</i>
Nauru Ocean Resources Inc.	At sea	4
Nauru Ocean Resources Inc.	Environmental workshop	4
Ocean Mineral Singapore Pte. Ltd.	Internship on adaptive path-planning framework	1
Interoceanmetal Joint Organization	Comprehensive six-week multidisciplinary training in project management relating to polymetallic nodules	2
Ministry of Natural Resources and Environment of the Russian Federation	At sea	2
Japan Oil, Gas and Metals National Corporation	On land/at sea	4
Government of the Republic of Korea	Three-month internship	1
Marawa Research and Exploration Ltd.	Underwater Mining Conference, 2019	2
Deep Ocean Resources Development Co. Ltd.	At sea	5
Total training placements awarded		25



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Implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

Report of the Secretary-General

I. Introduction

1. The purpose of the present report is to update the Council on the progress made in relation to certain matters raised in its decision of 19 July 2019 relating to the reports of the Chair of the Legal and Technical Commission ([ISBA/25/C/37](#)). The report is an addendum to and needs to be read in conjunction with the report prepared for the meetings of the Council during the first part of the twenty-sixth session in February 2020 ([ISBA/26/C/3](#)).

II. Draft regulations on exploitation of mineral resources in the Area

2. With respect to the draft regulations on exploitation of mineral resources in the Area to which the decision of 19 July 2019 of the Council refers in its first 10 paragraphs, sections A to C below describe how the Council and the Legal and Technical Commission have further advanced discussions on the draft regulations, and associated standards and guidelines.

A. Resumed consideration by the Council

3. During the first part of the twenty-sixth session, the Council continued its informal consideration of the draft regulations on exploitation ([ISBA/25/C/WP.1](#)). The Council also adopted a decision concerning working methods to advance



discussions on the draft regulations (ISBA/26/C/11), including the establishment of three informal working groups to be facilitated by delegates nominated by the regional groups. Following that decision, the African Group nominated Janet Omoleegho Olisa (Nigeria) as facilitator of the informal working group on inspection, compliance and enforcement and the Asia-Pacific Group nominated Raijeli Taga (Fiji) as facilitator of the informal working group on protection and preservation of the marine environment. As of the preparation of the present addendum, the nomination of a facilitator of the informal working group on institutional matters was pending.

4. In accordance with the mandate of the facilitators (ISBA/26/C/11, annex), on the basis of the discussions held during the first part of the twenty-sixth session, Ms. Taga will make available to delegations a document to assist discussions in her informal working group and containing a revised version of parts IV (Protection and preservation of the marine environment) and VI (Closure plans) and annexes IV (Environmental Impact Statement), VII (Environmental Management and Monitoring Plan) and VIII (Closure Plan) of the draft regulations.

B. Consideration by the Legal and Technical Commission of outstanding issues

5. During its meetings in February 2020, the Commission addressed outstanding matters in relation to the draft regulations (see ISBA/26/C/12, paras. 10–17) and, on the basis of a scoping study prepared by the secretariat, made a recommendation to the Council concerning draft regulation 30 (Safety, labour and health standards) and a draft annex VI to the regulations consisting of a health and safety plan and a maritime security plan (ISBA/26/C/17, annex).

6. Also during its meetings in February and July 2020, the Commission, performing the functions of the Economic Planning Commission, considered a report on the potential impact of polymetallic nodule production from the Area on the economies of developing land-based producer States of those metals that were likely to be the most seriously affected.¹ The Commission considered that the study provided a sound preliminary assessment on the economic impacts of polymetallic nodules production from the Area on developing land-based producer States and took note of areas identified for further study and consideration. The Commission's recommendations to the Council in respect of the study are contained in ISBA/26/C/12/Add.1.

C. Progress by the Commission on standards and guidelines

7. The Commission advanced its work on the development of standards and guidelines as described in ISBA/26/C/12 and ISBA/26/C/12/Add.1. At the conclusion of its meetings in July 2020, the Commission decided to issue the text of three draft standards and guidelines for stakeholder consultation: draft guidelines on the preparation and assessment of an application for the approval of a plan of work for exploitation; draft standard and guidelines on the development and application of environmental management systems; and draft standard and guidelines on the form and calculation of an environmental performance guarantee.² The Commission will consider the outcome of the consultation during its next meeting.

8. The Commission also decided to continue working intersessionally, with the assistance of the secretariat, including in the context of the working groups and

¹ Available at <https://isa.org.jm/files/documents/impactstudy.pdf>.

² Available at https://isa.org.jm/files/files/documents/Stakeholderconsultations_final-3.pdf.

technical working groups it has established, with a view to advancing other draft standards and guidelines foreseen to be in place by the time of the adoption of the draft regulations on exploitation (see [ISBA/25/C/19/Add.1](#)) and to also issuing them for stakeholder consultation. This includes the following standards and guidelines: for environmental impact assessments and the preparation of an environmental impact statement; for the preparation of environmental management and monitoring plans; for the safe management of mining operations; on the expected scope and standard of baseline data collection; and for the preparation and implementation of emergency response and contingency plans.

III. Activities of contractors

A. Issues relating to the transparency of contracts

9. At its meetings in July 2018, the Council requested the Secretary-General to explore with contractors the possibility of making contracts for exploration and their associated plans of work for exploration available publicly, taking into account the confidentiality obligations under such contracts, and to report to the Council on the progress made on that matter.³

10. To address that request, the Secretary-General held several consultations with contractors to advance the issue of promoting increased transparency of exploration contracts. At a meeting in October 2018, contractors discussed the idea to draft a summary template that would be made public and that would cover the key elements of each contract, which would not have a confidential nature. At the following annual contractors meeting in Changsha, China, consultations were held to discuss the format for a template for public reporting of the non-standard provisions of contracts for exploration and contractors agreed to voluntarily submit such templates for publication on a rolling basis.⁴

11. As at 14 September 2020, the majority of contractors had submitted completed templates, which will be made available through the website of the Authority in due course.

B. Contractor training programmes

12. In relation to the implementation of training programmes, as referred to in paragraph 17 of the decision of the Council, 18 additional training placements were awarded from January to May 2020. Details are provided in the annex to the present addendum.

IV. Development of regional environmental management plans for the Area, in particular where there are currently exploration contracts

13. In paragraph 19 of its decision, the Council encouraged the secretariat and the Commission to advance the development of environmental management plans, in particular where the Authority has granted exploration contracts.

14. During the first part of the twenty-fifth session, the Council reviewed a report by the Secretary-General on the implementation of the Authority's strategy for the

³ [ISBA/24/C/8](#), para. 16.

⁴ [ISBA/25/C/12](#), paras. 22 to 25.

development of regional environmental management plans for the Area, which included a draft programme of work for the secretariat for the period 2019–2020 (ISBA/25/C/13).

15. The secretariat has continued to implement that programme of work by scheduling several workshops in order to facilitate the development and review of regional environmental management plans. However, the situation caused by the coronavirus (COVID-19) pandemic has impacted the planned schedule of workshops in support of the development of regional environmental management plans as reported in section IV.B of ISBA/26/C/3. In response, the secretariat, in collaboration with the co-organizers of the proposed workshops, will convene a series of virtual workshops to advance discussions on the development of regional environmental management plans.

16. The workshop on the development of a regional environmental management plan for the Area of the Northern Mid-Atlantic Ridge with a focus on polymetallic sulphides deposits, originally scheduled to take place in Saint Petersburg, Russian Federation, in June 2020, will take place virtually from 23 November to 4 December 2020. The nomination process for that workshop has been completed, and work is being undertaken on the selection of participants, as well as technical preparations for the workshop, building on the report of the previous workshop held in Evora, Portugal, in November 2019 and its post-workshop activities.

17. The workshop on the development of a regional environmental management plan in the North-west Pacific, originally scheduled to take place in Jeju, Republic of Korea, in May 2020, will take place from 26 October to 6 November 2020. The nomination process and technical preparations for the workshop are currently under way, including the preparation of a draft report on regional environmental assessment and a compilation of georeferenced information at the regional scale.

18. The Government of India has communicated its plan to host the regional environmental management plans workshop for the Indian Ocean triple junction ridge and nodule bearing province during March 2021 at the National Institute of Ocean Technology, Chennai.

19. In addition, a workshop on deep sea taxonomic standardization was convened virtually on 15 and 16 September and a workshop on marine scientific research in the Area will be convened virtually from 15 to 17 December 2020. The results of these workshops will inform future collaborative efforts on marine scientific research to support environmental management in the Area.

V. Data management strategy of the Authority

20. In paragraph 20 of its decision, the Council welcomed the progress on the implementation of the data management strategy of the Authority, including public access to non-confidential data and the launch of the database in July 2019.

21. In order to further implement the data management strategy of the Authority, the secretariat convened a virtual workshop on the theme “DeepData: focusing on data management strategy” via an online platform from 21 to 25 September 2020.

VI. Status of the Voluntary Trust Fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee

22. In paragraph 23 of its decision, the Council noted with concern the sharp deficit in the voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries in meetings of the Commission and of the Committee. To address that critical situation, the Secretary-General made several appeals for contributions.

23. Thanks to contributions in 2020 from China (\$20,000) and Global Sea Mineral Resources NV (\$6,000), the cumulative balance of the Fund stood at \$25,992 as of September 2020. This would not be sufficient to cover all meetings of the Legal and Technical Commission and of the Finance Committee in 2021.

VII. Recommendations

24. The Council is invited to take note of the present report and to provide guidance as necessary.

Annex

Contractor training programmes, January–May 2020

<i>Contractor</i>	<i>Training type</i>	<i>Number of trainees</i>
Interoceanmetal Joint Organization	Comprehensive multidisciplinary training	2
Nauru Ocean Resources Inc.	Offshore exploration campaign (at sea)	4
Global Sea Mineral Resources NV	Professional training: seminar on dredging technologies	1
Global Sea Mineral Resources NV	Fellowship – Master “EMerald” (2020–2021)	1
Ministry of Earth Sciences, India	At-sea on-board and laboratory training	6
China Minmetals Corporation	At-sea training	1
China Minmetals Corporation	Fellowship	3
Total training placements awarded		18



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Agenda item 11

Report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

Implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

Report of the Secretary-General

I. Introduction

1. The purpose of the present report is to continue to update the Council on progress made with matters raised in the decision of the Council of 19 July 2019 relating to the reports of the Chair of the Legal and Technical Commission,¹ namely, the draft regulations on exploitation of mineral resources,² activities carried out by the contractors, the development of regional environmental management plans in the Area, the data management strategy and the status of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries in the meetings of the Commission and the Committee.

2. The present report is a second addendum to the report of the Secretary-General and should be read in conjunction with the report prepared for the first part of the twenty-sixth session of the Council, in February 2020, and the first addendum.³ The present report provides an update to 31 August 2021.

* New dates of the in-person meetings originally schedule for July 2020.

¹ [ISBA/25/C/37](#).

² [ISBA/25/C/WP.1](#).

³ [ISBA/26/C/3](#) and [ISBA/26/C/3/Add.1](#), respectively.



II. Draft regulations on exploitation of mineral resources in the Area and its associated standards and guidelines

3. The present section summarizes developments with regard to the draft regulations on exploitation of mineral resources in the Area and associated standards and guidelines.

A. Consideration by the Council

4. Owing to the impossibility of holding in-person meetings since February 2020, the Council has not been able to advance its consideration of the draft regulations. In anticipation of the next in-person meetings of the Council, the secretariat prepared a report⁴ outlining a proposed road map and workplan for the Council for 2022 and 2023, aimed at completing the adoption of the draft regulations and associated phase 1 standards and guidelines by July 2023. In addition, it is recalled that, at its meetings in February 2020, the Council adopted a decision concerning working methods to advance discussions on the draft regulations,⁵ by which it decided to establish three informal working groups on thematic issues, each to be led by a facilitator, in addition to the existing open-ended working group in respect of the development and negotiation of the financial terms of a contract. One informal working group was tasked with dealing with the protection and preservation of the marine environment, one with inspection, compliance and enforcement and one with institutional matters. At the time of reporting, the appointment of the facilitator of the informal working group on institutional matters remained pending.

B. Consideration by the Commission

5. On the basis of a survey conducted by the secretariat, the Commission adopted during its virtual meetings held between 23 March and 1 July 2021 terms of reference for the secretariat concerning the preparation of a standard and guidelines to assist contractors in complying with draft regulation 36, on insurance obligations.

6. During its virtual meetings, the Commission also considered a study prepared by the secretariat, with the assistance of a consultant, concerning draft regulation 102, on electronic monitoring system. Further to that study, the Commission adopted on 1 July 2021 terms of reference for the secretariat for the preparation of a standard and guidelines on electronic monitoring systems.

C. Progress by the Commission on the development of standards and guidelines

7. As described in detail in the reports of the Chair of the Legal and Technical Commission [ISBA/26/C/12](#) and [ISBA/26/C/12/Add.1](#), the Commission continued to address, as a matter of priority, the development of standards and guidelines deemed necessary to be in place by the time of adoption of the draft regulations on exploitation (phase 1) in order to support their implementation.

8. On 1 April 2021, the Commission decided to circulate for stakeholder consultations the text of the following seven draft standards and guidelines: draft guidelines for the establishment of baseline environmental data; draft standard and

⁴ [ISBA/26/C/44](#).

⁵ [ISBA/26/C/11](#).

guidelines for environmental impact assessments; draft guidelines for the preparation of an environmental impact statement; draft guidelines for the preparation of environmental management and monitoring plans; draft guidelines on tools and techniques for hazard identification and risk assessments; draft standard and guidelines for the safe management and operation of mining vessels and installations; and draft standard and guidelines for the preparation and implementation of emergency response and contingency plans.⁶ The Commission will consider the comments received from stakeholders, including on standards and guidelines released for stakeholder consultation in 2020, during its next online meetings, in September 2021.

III. Activities of contractors

A. Matters relating to the transparency of contracts

9. Since the request by the Council in July 2018 that ways be explored to promote increased transparency of exploration contracts by making them publicly available, the Secretary-General has continued his consultations with the contractors.

10. As at 31 August 2021, the large majority of contractors had provided information on their contracts in accordance with the public information templates designed for that purpose. This information is now available on the Authority's website.⁷ To complete the voluntary submission of such information, the secretariat has continued to engage with the following contractors: JSC Yuzhmoregeologiya; the Government of the Russian Federation (in respect of the contracts for exploration for polymetallic sulphides and for cobalt-rich ferromanganese crusts); Beijing Pioneer Hi-Tech Development Corporation; and Blue Minerals Jamaica Ltd.

B. Matters relating to the 2020 annual reports

11. As at 31 August 2021, individual feedback from the Commission on the annual reports on exploration activities conducted in 2020, including questions and requests for clarification, had been sent to each contractor. The contractors are to include their final responses to the feedback from the Commission in their annual reports on activities conducted in 2021, which are due by 31 March 2022.

C. Contractor training programmes

12. With respect to the implementation of training programmes, 20 additional training placements (19 new ones and one re-advertised) were awarded between June 2020 and August 2021.⁸

13. During its virtual meetings in late June, the Commission also considered the possibility to review its recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration⁹ and requested the training subgroup to work together with the secretariat intersessionally for that purpose.

⁶ Available at <https://isa.org.jm/mining-code/standards-and-guidelines>.

⁷ Available at www.isa.org.jm/exploration-contracts/polymetallic-nodules, www.isa.org.jm/exploration-contracts/polymetallic-sulphides and www.isa.org.jm/exploration-contracts/cobalt-rich-ferromanganese.

⁸ See ISBA/26/LTC/9.

⁹ ISBA/19/LTC/14.

D. Annual meeting of contractors 2021

14. On 19 and 22 April 2021, the Secretary-General held the fourth annual meeting of exploration contractors to discuss issues of common interest and key areas of work of relevance. The virtual meeting brought together 72 representatives of the exploration contractors.

15. Participants were presented with and discussed progress on the development of exploitation regulations in the Area; progress in building the capacities of developing member States through the contractor training programmes; progress in the development and implementation of the data management strategy of the Authority; the review of the effectiveness of the network of areas of particular environmental interest in the Clarion-Clipperton Zone; the production of a compendium of the work and achievements of contractors in relation to exploration activities in the Area; and the establishment of a new unit, the Compliance Assurance and Regulatory Management Unit within the secretariat.

16. Other highlights of the meeting were:

(a) The contractor training programmes should be adjusted to take into consideration the priority capacity development needs identified by developing members States of the Authority and compiled by the secretariat, as well as the implications of the pandemic;

(b) Contractors took note of the results of the Deep Clarion-Clipperton Zone Biodiversity Synthesis Workshop and of the need for them to carry out more sampling in order to validate the network of areas of particular environmental interest and its effectiveness, which in turn will support the implementation of a regional environmental management approach in the Clarion-Clipperton zone. Participants also acknowledged that a joint approach among the Authority, the scientific community and contractors would be required to develop a model to guide sampling programmes in those areas.

IV. Progress made regarding the development of regional environmental management plans in the Area

A. Implementation of the secretariat's programme of work through online workshops

17. During the reporting period, despite the constraints imposed by the COVID-19 pandemic, the secretariat continued to implement as a matter of priority its programme of work for the development of the regional environmental management plans through two online workshops. The first online workshop, on the development of such a plan for the area of the northern Mid-Atlantic Ridge with a focus on polymetallic sulphides (23 November–4 December 2020), addressed the potential management approaches and measures as well as the implementation strategies and monitoring priorities of the future plan for that region.¹⁰ The second online workshop (26 October–6 November 2020), about the development of a regional environmental management plan for the North-West Pacific, focused on the synthesis of scientific data and information as well as scientific approaches for applying area-based management tools and the qualitative assessment of cumulative impacts.

¹⁰ For details of the workshop results, see the workshop report (available at www.isa.org.jm/event/workshop-remp-area-northern-mid-atlantic-ridge).

B. Progress made by the Commission on the review and development of regional environmental management plans

18. After consideration of those outcomes during its online meetings of May 2021, the Commission tasked a working group with drafting the regional environmental management plan for the northern Mid-Atlantic Ridge, building on the outcomes of the Authority's previous expert workshops for that region (Szczecin, Poland, 2018, Evora, Portugal, 2019, and the online workshop in 2020).

19. Furthermore, during the same meetings, the Commission conducted a review of the implementation of the environmental management plan for the Clarion-Clipperton Zone. The review identified progress made since the adoption of the plan, in 2012, including in relation to the effectiveness of the network of nine areas of particular environmental interest, as well as further actions to advance the implementation of the plan. On the basis of its review, the Commission formulated recommendations to the Council on the establishment of four additional areas of particular environmental interests to enhance the effectiveness of the network,¹¹ for consideration by the Council at its next in-person meetings, in 2021.

C. Future collaborative efforts on marine scientific research in support of environmental management in the Area

20. In addition to the online workshops for the development of regional environmental management plans, two online workshops were convened by the secretariat, in September and December 2020, on deep-sea taxonomic standardization and marine scientific research in the Area. The results of the workshops are expected to inform future collaborative efforts on marine scientific research in support of environmental management in the Area, including additional expert workshops on deep-sea taxonomy.

V. Implementation of the Authority's data management strategy

21. In September 2020, the secretariat held an online workshop entitled "DeepData: focusing on data management strategy". Building on the outcome of the workshop, the secretariat prepared draft revised templates for contractors to report geological and environmental data, as well as a metadata template, with a particular focus on enhancing quality assurance and quality control procedures.

22. The secretariat presented the draft templates to the Commission during its virtual meeting of 30 June 2021, and the Commission will review them intersessionally.

23. In addition, the secretariat joined the International Oceanographic Data and Information Exchange (IODE) network of the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, as an associate data unit, enabling it to serve as a node for the IODE Ocean Biodiversity Information System (OBIS). This collaboration between the secretariat and OBIS will further enhance, through the OBIS platform, global access to the biodiversity data held in the Authority's DeepData database, including taxonomic information, species abundance and distribution. The metadata will also be shared with the IODE Ocean Data and Information System Catalogue of Sources.

¹¹ See [ISBA/26/C/43](#).

VI. Status of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries

24. In paragraph 23 of its decision [ISBA/25/C/37](#), the Council noted with concern the sharp deficit in the voluntary trust fund for the purpose of defraying the cost of participation of members of the Commission and of the Finance Committee from developing countries in meetings of the Commission and of the Committee. The Secretary-General made several appeals for contributions to address the deficit.

25. As at 31 August 2021, recent contributions had been made by China (\$40,000), France (\$20,000), the Philippines (\$7,500) and DeepGreen Metals Inc. (\$15,000). In addition, five contractors made voluntary contributions of \$6,000 each in 2021. The fund balance currently stands at \$118,504. However, the amount is still insufficient to defray the costs of participation of members from developing countries in the next in-person meetings of the Commission and of the Finance Committee.

VII. Recommendations

26. The Council is invited to take note of the present report and to provide guidance as necessary.



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Item 12 of the provisional agenda*

Draft regulations for exploitation of mineral resources in the Area

Report of the Chair on the outcome of the third meeting of the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract under article 13, paragraph 1, of annex III to the United Nations Convention on the Law of the Sea and section 8 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

I. Introduction and background

1. During the second part of the twenty-fifth session of the International Seabed Authority, the Council welcomed the progress made by the open-ended working group in advancing discussions on an appropriate system and rates of payment to the Authority for minerals recovered from the Area during exploitation, but recognized that further work still needed to be done in order to develop clear recommendations. It therefore requested the working group to convene a third meeting immediately prior to the next meeting of the Council, in February 2020.

2. During the second meeting, the working group had reviewed three options for the payment mechanism and associated rates of payment, namely:

- (a) A fixed-rate ad valorem-only royalty mechanism;
- (b) A two-stage ad valorem-only royalty mechanism;
- (c) A combined ad valorem royalty and profit-based system.

3. In preparation for the third meeting of the working group, the secretariat was requested to further refine the model to include a progressive ad valorem royalty system. It was also agreed that, to the extent possible, the third meeting would begin work on other mineral resources than polymetallic nodules.

* ISBA/26/C/L.1.



4. The third meeting of the working group was held on 13 and 14 February 2020, prior to the first part of the twenty-sixth session, and was open to all stakeholders. However, it may be noted that most developing States were absent for that particular meeting. On 13 February, the agenda for the meeting was adopted with no amendment.¹

II. Review of options

5. With a view to assisting in the creation of a review of the options for the payment mechanism, Richard Roth and Randolph Kirchain from the Massachusetts Institute of Technology made a presentation on the refined model, which included a progressive ad valorem royalty mechanism.

6. The Chair invited delegations to focus on the consideration of the four options in the model with a view to narrowing down the number of options under consideration and recommending one or two options to the Council, noting that the possible refinement of the assumptions used for the model would be considered at a later stage.

7. Participants expressed their thanks for a clear and comprehensive presentation by the Massachusetts Institute of Technology. Some delegations expressed the view that the four options should be further considered. Several delegations expressed support for both a two-stage fixed ad valorem mechanism and a two-stage progressive ad valorem mechanism around which to pursue discussion. Noting the complexity and administrative costs associated with a profit-based system, some delegations did not find it appropriate to continue the consideration of a profit element in the model. Those that favoured an ad valorem mechanism, either fixed or progressive, noted that it would meet the requirements of the United Nations Convention on the Law of the Sea and the Part XI Agreement, including for the system of payments to be fair to both contractors and the Authority. It was also noted that it would be simpler to implement, leading to lower administrative and compliance monitoring and auditing costs, and would be more transparent, making compliance monitoring easier. A suggestion was made, however, that maximum and minimum rates should be included in such a system. For the various options, the need to bear in mind the staffing requirements and monitoring costs for the Authority was highlighted. The goal of maximizing revenue to the Authority seemed to be widely accepted, while at the same time understanding that it was not the Authority's role to engage in risk-sharing ventures, but instead to administer the common heritage of mankind, in accordance with article 157 of the Convention.

8. Comments were made regarding some aspects and assumptions of the model, and the need for further details was highlighted. In particular, it was noted that the model did not adequately take into account external aspects, including environmental aspects, and that some of the fundamental assumptions of the model needed to be reviewed, in particular with regard to nodule abundance and collector number, width and speed. Comments were also expressed about linking royalties to metal prices, and suggestions were made about exploring other values, including the volume and weight of production, sponsoring States' fees and corporate income tax. Some delegations

¹ To assist participants in the discussions of the third meeting, the following documents were prepared and made available on the website of the Authority: the provisional agenda, the indicative programme of work, a revised financial model, a briefing note from the Chair of the open-ended working group and presentations on the financial payment system by Richard Roth and Randolph Kirchain. By way of further background, reference was made to the briefing note prepared by the Chair for the second meeting of the working group and to the report by the Massachusetts Institute of Technology (<https://ran-s3.s3.amazonaws.com/isa.org/jm/s3fs-public/files/documents/paysysmodel-3jun.pdf>).

suggested that concrete price forecasts should be used for modelling purposes. The need was also stressed for a more precise definition of the calculation method to assess the value of a given production volume and its respective percentage. Concerns were also expressed with the underlying method of fine-tuning the rates of the payment regime to ensure post-tax profits were high enough to motivate investment in deep-sea mining.

9. With regard to the policy objective of the Convention and the Part XI Agreement,² and without prejudice to the future financial model to be adopted, several delegations recognized the benefit in establishing an updated comparative analysis of seabed mining and land-based mining before a next meeting. This could include the identification of:

- (a) The royalty rates;
- (b) The taxable base in those jurisdictions representing the bulk of production for the same or similar minerals and/or ores, e.g., manganese, copper, cobalt and nickel;
- (c) Any environmental levies;
- (d) Any administrative fees.

10. This work could identify the average royalty rate(s) and methodology to determine a taxable base, that would neither advantage nor disadvantage Authority contractors in relation to land-based producers. It could also consider the corporate income tax regimes of those major land-based producer jurisdictions, compared with those of sponsoring States and other States that would be involved in the entire value chain of Authority contractors.

III. Environmental aspects of the model

11. With regard to the environmental aspects of the model, some delegations expressed the need to revisit the 1 per cent benchmark for contractors to pay as contributions to an environmental compensation fund. The Secretary-General informed the working group that the secretariat had issued calls for proposals for consultancies to undertake studies on an environmental compensation fund and an environmental performance guarantee. It was noted that consideration of aspects of the fund not related to the financial model was beyond the current scope of the working group.

12. The working group agreed to revert to the consideration of the environmental aspects of the financial model once further information was available.

IV. Other mineral resources: economic modelling and timing

13. To assist discussions on the consideration of financial models for other mineral resources, Mr. Roth made a second presentation on the applicability of the model for polymetallic nodules to the other mineral resources in the Area, namely, polymetallic sulphides and cobalt-rich ferromanganese crusts. This was based on the assumption that the cash-flow value structure currently used for nodules could readily be adapted to other minerals, bearing in mind however that the specific costs and revenues associated with the retrieval of different resources may vary. A number of delegations shared the view that the development of a payment regime for other minerals was premature, including in the light of technological challenges and the fact that a true estimate could only be obtained using accurate geological information and there was

² Part XI Agreement, annex, section 8, item (1)(b).

still limited knowledge concerning the composition and metal concentration of the other two minerals, in particular polymetallic sulphides.

14. The working group agreed that the focus of its work should be on polymetallic nodules, at this stage, pending further studies on the other types of resources.

V. Recommendations

15. The open-ended working group recommended that the Council:

(a) Convene a fourth meeting of the working group, preferably before the second part of the session of the Council, in order to further advance work on the payment mechanism for polymetallic nodules as a priority;

(b) Invite all stakeholders to submit comments to the secretariat, by 23 March 2020, for the purpose of further refining the assumptions of the model;

(c) While recognizing that the working group did not fully endorse nor discard any of the options, request the secretariat to prepare a report in order to refine further the two-stage fixed ad valorem royalty mechanism and the two-stage progressive ad valorem royalty mechanism, including taking into account any comments submitted pursuant to paragraph 15 (b) above, and other information as appropriate, for consideration at the following meeting of the working group;

(d) Request the secretariat to prepare a comparative study, as reflected in paragraph 9 above;

(e) Request the secretariat to make the documentation that is to be considered at a next meeting of the working group available on the Authority's website at least 14 days before the first day of the next meeting.



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Agenda item 6

Issues relating to the election in 2021 of members of the Legal and Technical Commission

Decision of the Council of the International Seabed Authority relating to the election in 2021 of members of the Legal and Technical Commission

The Council of the International Seabed Authority,

Considering the matter of the election of members of the Legal and Technical Commission for the period 2022–2026,

Understanding the increase in complexity of the matter of the election of members of the Commission,

Taking into account the efforts of the informal working group to find a solution on a process to govern the election of members of the Commission,

Understanding the need for further discussion on this matter in order to achieve a sustainable result,

Desiring to continue the work of the Council of the International Seabed Authority in a constructive manner,

1. *Requests* the Secretary-General to seek the views of the Legal and Technical Commission regarding its assessment of the current and future needs for specific areas of expertise at the next meeting of the Commission and to prepare a report for consideration of the Council of the International Seabed Authority at its next meeting in July 2020;

2. *Decides* to further discuss the process governing the elections of members of the Commission on the basis of the working paper, as an annex and integral part of the present decision, presented to the Council on 20 February 2020 by the Facilitator of the above-mentioned informal working group as the starting point to reach a consensus on this matter;

3. *Also decides* that the question of the composition of the Commission shall be considered as a matter of priority at the next meeting of the Council, with a view to taking a decision at that meeting.

263rd meeting
20 February 2020



Annex

Working paper of the Facilitator on the election in 2021 of members of the Legal and Technical Commission

Taking into account the opinions expressed, I propose the following as a basis for further discussion of the matter of the election of members of the Legal and Technical Commission:

1. The overall number of members of the Commission should not be less than 25, as indicated in the decision of the Council contained in document [ISBA/22/C/29](#), but should not exceed its current membership of 30.

2. The Council requests the Secretary-General to seek the views of the Commission regarding its assessment of the current and future needs for specific areas of expertise (mineral resources, oceanology, marine environment, economy, legal matters, etc.) in the composition of the Commission and provide clear guidance on such composition at the earliest possibility in order to facilitate the discussion of the appropriate qualifications of candidates.

3. The Council elaborates a clear mechanism for the election of members of the Commission on the basis of:

(a) Equitable geographical distribution and the representation of special interests, in accordance with the relevant applicable provisions, including article 163, paragraphs 3 and 4, and article 165 of the United Nations Convention on the Law of the Sea,¹ the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,² and rules 78 and 81 of the rules of procedure of the Council;

(b) Existing practices applicable in the selection of members of various United Nations bodies, including technical and expert bodies;

(c) Assessment of the need for specific areas of expertise by the Commission, as referred to in paragraph 2 above.

4. The Facilitator shall provide a first draft of that mechanism by the end of March 2020 in order to enable the possibility of intersessional work that would be organized by means of exchanging written comments and proposals to be sent by email to the Secretariat. Thereafter, the Facilitator will analyse them and provide an amended draft which will be distributed by the Secretariat. The Facilitator will amend the text in three weeks. The deadline for submitting comments is also three weeks.

5. A decision on the mechanism to govern the elections of members of the Commission shall be adopted during the second part of the twenty-sixth session of the Council in July 2020.

¹ United Nations, *Treaty Series*, vol. 1833, No. 31363.

² United Nations, *Treaty Series*, vol. 1836, No. 31364.



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Agenda item 12

Decision of the Council concerning a standardized approach for the development, approval and review of regional environmental management plans in the Area

The Council of the International Seabed Authority,

Recognizing the need for a standardized approach for the development, approval and review of regional environmental management plans in the Area,

Having considered the proposals on a procedure for the development, approval and review of regional environmental management plans,¹ and on a template with minimum requirements for regional environmental management plans,²

1. *Requests* the Legal and Technical Commission, in consultation with the Finance Committee if necessary, to further develop the “Guidance to facilitate the development of regional environmental management plans”,³ in accordance with the United Nations Convention on the Law of the Sea,⁴ the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁵ as well as the rules, regulations and procedures of the International Seabed Authority, and taking into account, as appropriate, the above-mentioned proposals^{1,2} with a view to recommending to the Council a standardized approach, including a template with indicative elements;

2. *Requests* the Legal and Technical Commission to report on the progress made in its work on this issue at the next meeting of the Council, in July 2020.

*264th meeting
21 February 2020*

¹ ISBA/26/C/6.

² ISBA/26/C/7.

³ Prepared by the Secretariat and available at: https://ran-s3.s3.amazonaws.com/isa.org.jm/s3fs-public/files/documents/rem_p_guidance_.pdf.

⁴ United Nations, *Treaty Series*, vol. 1833, No. 31363.

⁵ *Ibid.*, vol. 1836, No. 31364.





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Agenda item 12

Decision of the Council concerning working methods to advance discussions on the draft regulations for exploitation of mineral resources in the Area

The Council of the International Seabed Authority,

Recognizing the need to advance discussions on the draft regulations for exploitation of mineral resources in the Area,

Conscious of the need to strengthen the working methods to facilitate progress to that end,

1. *Decides* to establish three informal working groups, with the mandate and working modalities set out in the annex to the present decision;
2. *Also decides* to appoint the individuals to be designated by the regional groups in accordance with those modalities as facilitators;
3. *Further decides* that the facilitators shall exercise their functions in accordance with the mandate set out in the annex to the present decision;
4. *Requests* the facilitators to report on the progress in their work during the next meeting of the Council, in July 2020.

*264th meeting
21 February 2020*



Annex

Informal working groups to advance discussions on the draft regulations for exploitation of mineral resources in the Area

I. Mandate and working modalities of the informal working groups

1. Three informal working groups will be established, initially, to advance discussions on the draft regulations for exploitation of mineral resources in the Area, as follows:
 - (a) An informal working group on protection and preservation of the marine environment;
 - (b) An informal working group on inspection, compliance and enforcement;
 - (c) An informal working group on institutional matters (including the role and responsibilities of the various organs of the International Seabed Authority, timelines, recourse to independent expertise, and stakeholder participation).
2. The informal working groups will be open to observers and other stakeholders and shall be held in public unless otherwise decided.
3. All the informal working groups will meet during sessions of the Council and no meetings will be held in parallel.

II. Mandate of the facilitators

1. The regional groups¹ responsible for the facilitation of each informal working group will nominate an individual to act as facilitator.
2. Each facilitator would commit to holding that position beyond the current session to provide for continuity, and need not necessarily be the head of delegation.
3. The facilitators will moderate the discussions held during Council sessions and, as necessary, use best efforts to communicate with participants in their respective informal working group through electronic means during the intersessional period.
4. The facilitators will be kept informed of any workshops that may be relevant to the draft regulations related to their mandate.
5. The task of the facilitators will be to identify and build consensus.
6. The facilitators will apply an inclusive approach, including by reaching out to members of the Council, other States members of the Authority, the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise, observers and other stakeholders to ensure that all views are taken into account, as appropriate.
7. The facilitators will provide guidance to the Secretariat in compiling comments on the draft text, with a view to preparing a revised text, under their responsibility, for consideration by the Council.

¹ Noting that the Chair of the open-ended informal working group of the Council in respect of the development and negotiation of the financial terms of a contract under article 13, paragraph 1 of annex III to the United Nations Convention on the Law of the Sea and under section 8 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, is from the Western European and other States.

8. The facilitators will report on the work of their respective informal working group to the plenary of the Council.
 9. The facilitators will consult regularly with each other and the Secretariat to align the methods of work in each of the informal working groups.
-



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Agenda item 13

Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

Report of the Chair of the Legal and Technical Commission on the work of the Commission at the first part of its twenty-sixth session

I. Introduction

1. The first part of the twenty-sixth session of the Legal and Technical Commission of the International Seabed Authority was held from 24 February to 6 March 2020.
2. Twenty members of the Commission attended the meetings. A total of eight members from developing countries were not able to participate due to a lack of financial support from the Voluntary Trust Fund, which stood in deficit. Two members were unable to attend due to medical or other reasons. However, several members were able to contribute by email.

II. Activities of the contractors

A. Status of contracts for exploration and related matters

3. The Commission took note of the status of contracts for exploration, as contained in document [ISBA/26/C/4](#).

B. Implementation of training programmes under plans of work for exploration and allocation of training opportunities

4. On 24 February, the Commission was briefed on the selection of candidates for training programmes since July 2019. Between July 2019 and January 2020, 20 first-ranked and 20 alternate candidates had been selected for six training programmes provided by contractors.



5. At the current session, the Commission was invited to select 20 additional candidates for seven training programmes being offered by four contractors pursuant to their contracts for exploration with the Authority. On the basis of the recommendations of the training subgroup, 14 first-ranked and 7 alternate candidates were selected by the Commission, with six training placements being recommended for re-advertisement owing to a lack of suitably qualified candidates (see [ISBA/26/LTC/3](#)).

6. The Commission noted with regret that it had been necessary to re-advertise training opportunities and reiterated the need for members of the Council assist the secretariat and the Commission by suggesting where advertisements for training could be placed in order to attract a wider range of applications by candidates from developing countries.

7. The Commission also noted with regret that there had been instances where candidates were unable to take their training opportunities due to challenges in obtaining visas. The Commission sought the support of the Council in calling for its members and observers to provide the necessary facilitation to the selected candidates, including the issuance of visas.

C. Report on the periodic reviews of the implementation of plans of work for exploration

8. The Commission took note of the information on periodic reviews, as contained in document [ISBA/26/C/4](#). It was acknowledged that members of the Commission had provided comments to the periodic review reports in the intersessional period.

9. With a view to assisting the contractors in reporting on the five-year period of exploration activities, in particular to summarize, evaluate and report on the performance of their plans of work in a concise manner, the Commission had developed a template for the content of periodic reports and had advised the Secretary-General to present the template to contractors.

III. Regulatory activities of the Authority

A. Outstanding issues with respect to the draft regulations on the exploitation of mineral resources in the Area

10. At the twenty-fifth session of the Authority, the Commission had requested that further studies be undertaken on a number of issues to move forward in the development of the draft regulations for exploitation of mineral resources in the Area (see [ISBA/25/C/18](#) and [ISBA/25/C/19/Add.1](#)).

Annex VI to the draft exploitation regulations

11. The Commission had requested that the secretariat present a draft health and safety plan and a draft maritime security plan for consideration at the twenty-sixth session, with a view to making relevant recommendations to the Council concerning annex VI of the draft exploitation regulations.

12. Accordingly, the Secretariat had made available to the Commission a scoping study on the interface of the competencies of the International Seabed Authority and the International Labour Organization and the application of international labour instruments to activities in the Area, as well as a draft health and safety plan and a draft maritime security plan. The report on the competencies of the International

Seabed Authority and the International Maritime Organization in the context of activities in the Area¹ was also before it.

13. The Commission agreed that the current approach reflected in the text of draft regulation 30 of referring to the applicable international rules and standards established by competent international organizations or general diplomatic conferences was sufficient for the foreseeable future.

14. It also decided to recommend to the Council that it draw the attention of the Assembly to the need to encourage member States that had not yet done so, in particular sponsoring States, to become parties to the applicable international rules and standards established by competent international organizations, in particular the Maritime Labour Convention, 2006.

15. The Commission further proposed that the secretariat enter into discussions with ILO with a view to concluding a cooperation agreement between it and the Authority to keep emerging issues concerning occupational health and safety for personnel involved in exploitation in the Area under review.

16. The Commission considered and made some amendments to the draft health and safety plan and the draft maritime security plan, and decided to recommend to the Council a draft of annex VI of the draft regulations containing those plans, which would be issued as a separate document.

Impact study

17. The Commission, while performing the functions of the Economic Planning Commission, took note of a draft report on the study of the potential impact of polymetallic nodule production from the Area on the economies of the developing land-based producers of those metals that were likely to be the most seriously affected, and also noted that the report would be finalized in April 2020 and published on the website of the Authority. The Commission will consider the finalized report and make recommendations thereon to the Council at its July session.

B. Development of standards and guidelines for activities in the Area

18. In response to the request of the Council (see [ISBA/25/C/37](#)), the Commission undertook work on standards and guidelines as a priority matter, in both plenary and informal working group meetings. It proceeded on the basis of the process and schedule it had recommended to the Council at the second part of its twenty-fifth session for the development of such standards and guidelines (see [ISBA/25/C/19/Add.1](#), annex and enclosures I and II), with a focus on the standards and guidelines deemed necessary to be in place by the time of adoption of the draft regulations on exploitation, those to be initiated immediately but completed after July 2020 and those requiring that the secretariat advance certain studies before work on drafting the guidelines could commence (together referred to as “phase 1 standards and guidelines”). Those standards and guidelines had been considered necessary to guide the development and initial consideration of an application of a plan of work for exploitation.

19. In its discussions, the Commission was guided by the need to ensure consistency in the style and presentation of the various standards and guidelines. It also considered the appropriate level of detail to be included in those documents in the light of its previous recommendation that an outcome-based approach be followed in order to provide for rigorous and contractually binding outcomes while affording flexibility

¹ See [ISBA/25/C/19/Add.1](#).

in the processes used to achieve those outcomes. In that regard, it noted that there was no one-size-fits-all approach and that the level of detail would depend on a number of factors, including the degree of robustness that was sought from the contractor as well as whether a mature body of work composed of international standards, guidelines, guidance and industry practice already existed for a specific issue. For example, the Commission considered that environmental standards and guidelines would likely require a greater level of detail, while matters related to safety could be addressed by reference to existing standards and guidelines.

20. Discussions also took place on which aspects of some of the issues under consideration should be developed as standards or as guidelines, recalling that, under the draft exploitation regulations, standards would be legally binding and adopted by the Council while guidelines would be recommendatory in nature and issued by the Commission. Accordingly, it was considered necessary to develop separate documents for standards and for guidelines.

21. In the light of the interlinkages between a number of the standards and guidelines under consideration, the Commission decided that those standards and guidelines should proceed to the phase of stakeholder consultations at the same time, as those documents were at different stages of development and it was necessary to finish all documents first.

Standards and guidelines deemed necessary to be in place by the time of adoption of the draft regulations on exploitation

22. The Co-Chairs of the technical working group established by the Commission to develop standards and guidelines for environmental impact assessments and for the preparation of an environmental impact statement, and also to develop standards and guidelines for the preparation of environmental management and monitoring plans provided an update on the progress in the work of the working group. The Commission established an informal working group to consider a draft standard on the environmental impact assessment process prepared by the technical working group. A draft version of the standard was endorsed by the Commission. However, it took note that guidelines for the process and for the preparation of an environmental impact statement would be further developed during the intersessional period, and that work could feed back into further consideration of the standard on the environmental impact assessment process. It agreed to revisit those standards and guidelines at the July session. The Commission also took note that standards and/or guidelines on the preparation of an environmental management and monitoring plan would be developed during the intersessional period for consideration at the July session.

23. The Commission also established informal working groups to consider the draft standards and guidelines prepared by the secretariat, with the assistance of consultants where necessary, for the preparation and assessment of an application for the approval of a plan of work for exploitation; the development and application of environmental management systems; and the safe management and operation of mining support vessels. The Commission decided to undertake further intersessional work on those standards and guidelines, with the assistance of the secretariat, and to revert to them at the July session.

24. In addition, the Commission, after having considered whether the environmental aspects of the standards and guidelines on hazard identification and risk assessments should be incorporated into other environment-related standards and guidelines, decided that it would revisit the need for standards and guidelines on that topic in the light of the content of other relevant standards and guidelines currently under development.

Standards and guidelines to be initiated immediately but completed after July 2020

25. The Co-Chairs of the technical working group on the expected scope and standard of baseline data collection provided an update on the progress in the work of the working group. The Commission took note of the information, noting that a report on progress towards a draft standard and/or guideline would be made available to it at the July session.

26. The Commission also took note that the secretariat, with the assistance of a consultant, was currently developing draft standards and/or guidelines for the preparation and implementation of emergency response and contingency plans.

27. The Commission further took note of a call for proposals launched by the secretariat for a consultancy to undertake a gap analysis and develop draft standards and/or guidelines for the form and calculation of an environmental performance guarantee, which would be made available to it at the July session.

Standards and guidelines requiring that the secretariat advance certain studies before work on drafting the guidelines could commence

28. In relation to health and safety matters, the Commission, having considered a note prepared by the Secretariat on those issues, agreed to revert to the issue of whether standards and guidelines would be required for health and safety management systems at the July session.

29. In its discussion on insurance requirements under an exploitation contract and placing of insurance risk, based on a note prepared by the secretariat and in the light of a number of unknowns relating to the availability of seabed mining-specific insurance products and the capacity to satisfy insurance needs related to exploitation in the Area, the Commission acknowledged the need for continued investigation and consultations with stakeholders and the insurance industry. It requested the secretariat to conduct a survey among contractors on access to insurance and insurance cover under current exploration contracts and potential areas that would require additional insurance coverage for exploitation.

C. Continued review of the process for environmental impact assessments for designated activities during exploration

30. On 5 March, the Commission considered and endorsed the process for reviewing the environmental impact statement in relation to the testing of mining components or other activities requiring an environmental impact assessment during exploration, as well as a template for reporting an environmental impact assessment undertaken during exploration, which will be incorporated as annexes into a revision of document [ISBA/25/LTC/6](#).

IV. Environmental management plans

31. On 24 February 2020, the Commission took note of the outcomes of the two workshops organized by the secretariat, held during October and November 2019, on deep sea biodiversity of the Clarion-Clipperton Fracture Zone and on the regional environmental management plan for the Area of the northern Mid-Atlantic Ridge, as

presented in the workshop reports² and summarized in [ISBA/26/LTC/2](#). The Commission was also briefed on forthcoming workshops to further develop the regional environmental management plans for the Area of the northern Mid-Atlantic Ridge, to be held in Saint Petersburg, Russian Federation, in June 2020, and for the Area of the north-west Pacific, to be held in Jeju, Republic of Korea, during the fourth quarter of 2020.

32. Furthermore, the Commission held an informal workshop on 29 February 2020 and discussed the key scientific approaches and results of the two above-mentioned workshops held during October and November 2019. Members of the Commission recognized the significant scientific achievements of the two workshops and highlighted the continued evolution of the scientific approaches as regional environmental plans were being developed in regions with different mineral resources and ecosystems.

33. In the light of the above discussions, the Commission acknowledged, on 5 March, the need for additional areas of particular environmental interest in the Clarion-Clipperton Fracture Zone to improve representativity and to close spatial gaps in the current network of such areas. The Commission took note of further work to be carried out during the intersessional period on the placement and configuration of additional areas of particular environmental interest, with assistance from the secretariat. The Commission decided to reconsider the issue at the July session, with a view to formulating recommendations for the consideration of the Council.

34. Pursuant to the decision of the Council concerning a standardized approach for the development, approval and review of regional environmental management plans in the Area, as contained in document [ISBA/26/C/10](#), the Commission discussed steps to be taken during the intersessional period in implementing the decision, with a view to discussing the results of that intersessional work at the July session.

V. Implementation of the data management strategy of the Authority

35. The Commission received an update on the progress of the implementation of the data management strategy and the public launch, held in July 2019, of the database (DeepData) of the Authority on its website, in which environmental data was made available for public access. The Commission noted the five pillars according to which the data management strategy was being developed, namely, data identification, data storage, data provision, data processing and data governance. The Commission also noted that user experience and feedback had been incorporated into the planned work activities, including development of additional features on DeepData.

36. The Commission also took note of the needs for further strengthening the recommendations for the guidance of contractors on the content, format and structure of annual reports (see [ISBA/21/LTC/15](#)), to align those recommendations with the data management strategy, as well as the need to provide the contractors with a template table for providing an inventory of the digital data submitted.

² The reports of the two workshops are available on the following websites: https://ran-s3.s3.amazonaws.com/isa.org.jm/s3fs-public/files/documents/deep_ccz_biodiversity_synthesis_workshop_report_-_final.pdf (Clarion-Clipperton Zone workshop report), and https://ran-s3.s3.amazonaws.com/isa.org.jm/s3fs-public/files/documents/evora_workshop.pdf (northern Mid-Atlantic Ridge workshop report).

VI. Issues relating to the operation of the Enterprise, in particular the legal, technical and financial implications for the Authority

37. The Commission considered a study related to issues on the operationalization of the Enterprise.³

38. The Commission recalled that the Enterprise was the organ of the Authority established by article 170 and annex IV of the Convention to carry out activities in the Area according to article 153 (2) (a) of the Convention, as well as the transporting, processing and marketing of minerals recovered from the Area.

39. The Commission further recalled that the 1994 Agreement, adopting an “evolutionary approach”, provided for the operationalization of the Enterprise through a step-by-step progression based on the functional needs of the Enterprise at each of the steps. Furthermore, prior to the independent functioning of the Enterprise, the 1994 Agreement required that an interim director general should be appointed from the staff of the Authority to oversee specified functions listed in section 2 (1) of the annex to the 1994 Agreement.

40. The Commission was also conscious that the development of the draft regulations on the exploitation of mineral resources in the Area was at an advanced stage and there was an expectation that the draft regulations would be adopted in the not-too-distant future. At such time, joint ventures with the Enterprise could be initiated. In that connection, it should be recalled that there were 11 exploration contracts in place that anticipated future joint ventures with the Enterprise, and several reserved areas were also available for joint ventures.

41. The Commission, on the basis of what was stated in paragraphs 37 to 40 above, recommended that the Council consider requesting the Assembly, subject to the availability of the requisite funds, to establish the position of interim director general within the secretariat and for the Secretary-General to appoint a person to the position to oversee the specified functions listed in section 2 (1) of the annex to the 1994 Agreement.

VII. Other matters

Exchange of views on the current and future needs of qualifications for the membership of the next Commission

42. In line with the decision of the Council relating to the election in 2021 of members of the Legal and Technical Commission (ISBA/26/C/9), the Commission considered the request of the Secretary-General regarding its assessment of the current and future needs for specific areas of expertise of the next Commission and provided suggestions to the Secretary-General, which were to be included as a part of his report to the Council.

Concerns over the status of the voluntary trust fund

43. The Commission noted with grave concern the fact that a total of eight members of the Commission from developing countries had been unable to participate in the meetings of the Commission owing to a lack of financial support from the voluntary

³ Edwin Egede, Mati Pal and Eden Charles, “A study related to issues on the operationalization of the Enterprise: legal, technical and financial implications for the International Seabed Authority and for States parties to the United Nations Convention on the Law of the Sea”, Technical Report 1/2019 (International Seabed Authority, 2019).

trust fund. A further deficit in the fund could raise the issue of a quorum at the meetings of the Commission in July. The Commission urged the Secretary-General to make every effort to solicit contributions to the fund and to bring the issue to the Council's attention at its July session.



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Agenda item 13

Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

Report of the Chair of the Legal and Technical Commission on the work of the Commission at the second part of its twenty-sixth session

Addendum

I. Introduction

1. The second part of the twenty-sixth session of the Legal and Technical Commission of the International Seabed Authority was held from 6 to 31 July 2020, in the form of online meetings. A total of 13 online meetings of the plenary of the Commission were held. Webinars for working groups set up by the Commission were held at the request of the facilitator or facilitators of each working group.
2. One member of the Commission did not attend any virtual meetings during the session.
3. It was agreed that, in view of the online format of the second part of the session, the Commission would follow a silence procedure with regard to decision-making, unless it decided otherwise.
4. The Commission successfully addressed many of the priority agenda items in its July meetings. The members of the Commission achieved that outcome by devoting considerable time and effort to online plenary meetings held three times per week and by holding several working group meetings throughout the four weeks of July, across widely varying time zones. Work on some agenda items is scheduled to continue intersessionally.

II. Activities of the contractors

A. Implementation of training programmes under plans of work for exploration and allocation of training opportunities

5. The Commission noted that, owing to the coronavirus disease (COVID-19) pandemic, many contractors faced significant challenges in implementing scheduled training, in particular with regard to training programmes involving selected candidates travelling from one country to another, such as at-sea training, internships

* Original dates. The meeting has been postponed *sin die*.



or laboratory training at the contractor's facilities, which have been suspended until the possibility of travel resumes. Those contractors therefore postponed or modified their training schedules accordingly, pursuant to discussion with the Authority. In that regard, the Commission encourages contractors to determine whether training and/or scholarships could be offered through remote learning and, if contractors are unable to offer such options, to engage with relevant academic institutions that do have the capacity to offer such a mode of training.

6. The Commission also suggests that contractors unable to implement their training programmes discuss with the Authority what other options might be possible, keeping in mind the recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration ([ISBA/19/LTC/14](#)). The Authority and contractors should monitor the situation and adapt their training schedules accordingly, taking into consideration the expert guidance from relevant Member State health authorities and the World Health Organization.

B. Annual reports of contractors

7. During the second part of its twenty-sixth session, the Commission considered 29 annual reports on activities carried out by the contractors in 2019, submitted pursuant to section 10 of the standard clauses for exploration contracts. The Commission expressed its appreciation to the secretariat for a preliminary evaluation of the reports. Following previous practice, the Commission set up three working groups to review the geological and technological, legal, financial and training, and environmental aspects of the annual reports. In addition to specific comments on each report to be conveyed to the individual contractors by the Secretary-General, the Commission made a series of general comments, as set out below.

8. The Commission acknowledges the general improvements made by contractors in complying with the relevant template for reporting (see [ISBA/21/LTC/15](#), annex IV). Those improvements helped the Commission in conducting its review of the annual reports. In some cases, the Commission would recommend that the executive summary be more detailed. The Commission noted that most contractors had submitted their reports in a timely manner. For those few who were late, submitting their reports a week or two after the deadline, the Commission would remind them to ensure timely submission of annual reports in the future.

9. The Commission noted the expanding levels of international cooperation in which contractors were engaging, both with each other and with the secretariat of the Authority, as well as with academia. Such cooperation in 2019 included taxonomic standardization and the collaborative identification of fauna in images. The Commission welcomes progress in this area.

10. In relation to expenditure, the Commission noted that, as in previous years, some contractors had incurred far greater expenditure than expected, indicating an intensification of the activities undertaken. At the same time, however, the expenditure levels of a number of other contractors was far lower than predicted. Reasons for the lower expenditure were provided by some contractors. The Commission suggested that those contractors further report to the Secretary-General on how they would seek to recover potential delays that might result from unexpected events. Those who had not indicated the reasons for the lower expenditure are reminded that, where expenditure is lower than forecasted, those reasons should be provided, in particular where that lower expenditure was that the full programme of activities planned for the year had not been carried out.

11. The Commission noted that some contractors did not provide corresponding digital data files, indicating that the data would be provided after the publication of

research papers based thereon. As highlighted previously by the Commission, in line with the relevant regulations and recommendations issued by the Commission, such a situation did not preclude the obligation to report and transmit data to the Authority in accordance with the standard clauses for exploration contracts.

12. It was also noted that most contractors continued to make progress in the collection or analysis of baseline environmental data, analysing existing or new data and, in several cases, taking stock of previous data and undertaking a review of several years' worth of data collection that would support future sampling efforts. A number of contractors undertook limited environmental analyses and at-sea surveys in 2019 as compared with their proposed plans, as a result of equipment, technical and/or financial issues. Several contractors have adjusted their plans of work for 2020 to correct for those issues. It is as yet unclear what effects the COVID-19 pandemic will have on contractor plans for 2020.

13. The Commission was pleased to observe that a number of contractors had improved the quality of their survey design, sampling distribution and replication. There remain, however, ongoing questions about whether enough was being done for the baseline studies, across a range of environmental aspects, to assess natural spatial and temporal variability and about some differences in methodology or sampling equipment that could constrain analyses at the regional level.

14. The Commission noted that several contractors are well into, or approaching the end of, their initial contract or extension periods. It would be desirable to include in the annual reports a review of how the baseline data are building up to a level sufficient to support a robust environmental impact assessment. That need for a "gap analysis" aligns with the periodic review process; however, it is strongly recommended that contractors guide their future exploration programmes on the basis of the data needed to support future environmental impact assessment processes.

III. Consideration of an application for approval of a plan of work for exploration

15. On 4 June 2020, the Secretary-General received an application for the approval of a plan of work for exploration for polymetallic nodules in the Area from Blue Minerals Jamaica Limited. An executive summary of the application was made available as a document of the Commission ([ISBA/26/LTC/4](#)).

16. The Commission considered the application on 6, 7, 13, 14, 20, 21 and 23 July 2020, including in internal discussions following an initial presentation made by the applicant and in the light of responses received from the applicant to questions posed subsequently by the Commission. The Commission recommended the approval of the application and adopted its report and recommendations to the Council of the Authority in respect of the application ([ISBA/26/C/22](#)).

IV. Regulatory activities of the Authority

A. Outstanding issues with respect to the draft regulations on the exploitation of mineral resources in the Area

Potential impact of polymetallic nodules production from the Area on the economies of developing land-based producer States

17. The Commission took note of the report to the Authority on the study of the potential impact of polymetallic nodule production from the Area on the economies

of developing land-based producers of those metals which were likely to be the most seriously affected. The Commission agreed that the study provided a sound preliminary assessment of the economic impacts of polymetallic nodule production from the Area on those States. Areas for further study and consideration were also identified in the report. According to the report, the specific impacts on the economies of those States will be known once seabed mining production commences.

18. In that connection, and in the light of the importance of the matter and bearing in mind the fact that seabed mining may start in the foreseeable future, the Commission recommends that the Council consider the following actions:

(a) Continue to address the substantive issues identified in the study;

(b) Continue to give due consideration to the problems that may be faced by those developing land-based producer States which are likely to be the most seriously affected by seabed mining, with a view to minimizing any difficulties they may have and assisting them in their economic adjustment (Convention, art. 151, para. 10). The problems of those States will be, to a large extent, associated with their limited abilities to eliminate the effects of seabed mineral production on their export earnings or their economies and to control those effects. It is necessary to thoroughly assess those limitations, and any long-term remedial measures should take into account the elimination of those limitations;

(c) Initiate a process for establishing an economic assistance fund in accordance with paragraph 1 (a) of section 7 of the annex to the Agreement relating to the implementation of Part XI of the Convention (1994 Agreement), in the light of the call for a system of compensation or other measures of economic adjustment assistance, including cooperation with specialized agencies and other international organizations, in article 151, paragraph 10, of the Convention, with a view to assisting the developing land-based producer States identified as being likely to suffer serious adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of exports of that mineral, to the extent that such reduction is caused by activities in the Area. The establishment of such a fund should be in line with the principles of the 1994 Agreement for the provision of economic assistance to developing countries which suffer serious adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of exports of that mineral, to the extent that such reduction is caused by activities in the Area. In accordance with paragraph 1 (a) of section 7 of the annex to the Agreement, only funds from payments received from contractors, including the Enterprise, and voluntary contributions shall be used for the establishment of the economic assistance fund;

(d) Continue, in an expeditious manner, the process of determining the rates of royalty payments to be received from contractors in order to be able to pre-assess the possible extent of the economic assistance fund for the affected developing land-based producer States.

19. The Commission recalls that section I, paragraph 4, of the annex to the 1994 Agreement provides that the functions of the Economic Planning Commission shall be performed by the Legal and Technical Commission until such time as the Council decides otherwise or until the approval of the first plan of work for exploitation. In that regard, and in the light of the study conducted, the Commission recommends that the Council consider whether the Economic Planning Commission should be operational before the approval of such a plan of work for exploitation, so as to be in a position to consider and study, in a structured and systematic way, the impacts on developing land-based producer States, including the substantive issues referred to in the previous paragraphs, and study the trends of and factors affecting the supply, demand and prices of materials which are derived from the Area, bearing in mind the

interests of both importing and exporting countries, and in particular of the developing States among them (Convention, art. 164, para. (2) (b)).

B. Development of standards and guidelines for activities in the Area

20. During the second part of the session, the Commission continued its consideration of the development of standards and guidelines for activities in the Area as a matter of priority.

21. On the basis of the work of the secretariat and the recommendations of the relevant working groups established by the Commission to consider various draft standards and guidelines, the Commission decided to issue, for stakeholder consultation during the intersessional period, the text of the following three sets of draft standards and guidelines (a) draft guideline on the preparation and assessment of an application for the approval of a plan of work for exploitation; (b) draft standard and guidelines on the development and application of environmental management systems; and (c) draft standard and guidelines on the form and calculation of an environmental performance guarantee.¹ The Commission will consider the outcome of the consultations at its next meeting.

22. The Commission decided to continue to work intersessionally on the development of the other standards and guidelines deemed necessary to be in place by the time of the adoption of the draft regulations on exploitation (see [ISBA/26/C/12](#)), with a view to also submitting them for stakeholder consultation in the intersessional period. Those include the standards and guidelines: (a) for environmental impact assessments and the preparation of an environmental impact statement; (b) for the preparation of environmental management and monitoring plans; (c) for the safe management of mining operations; (d) on the expected scope and standard of baseline data collection; and (e) for the preparation and implementation of emergency response and contingency plans.

V. Review of the implementation of the environmental management plan for the Clarion-Clipperton Fracture Zone and development of regional environmental management plans

A. Review of the implementation of the environmental management plan for the Clarion-Clipperton Fracture Zone

23. The Commission made progress on the review of the implementation of the environmental management plan for the Clarion-Clipperton Fracture Zone, including updates by a working group on the scientific background and rationale for establishing additional areas of particular environmental interest. The Commission decided to continue its work intersessionally, with a view to formulating recommendations to the Council at its next meeting.

¹ See www.isa.org.jm/stakeholder-consultations-draft-standards-and-guidelines-support-implementation-draft-regulations.

B. Organization of additional workshops on the development of regional environmental management plans, including scientific and technical preparation in support thereof

24. The Commission noted that online workshops were scheduled from 26 October to 6 November 2020 for the north-west Pacific region and from 23 November to 4 December for the northern Mid-Atlantic Ridge. The Commission also noted that the Government of India had advised the secretariat of its plan to host the workshop on regional environmental management plans for the Indian Ocean triple junction ridge and nodule-bearing province in March 2021 at the National Institute of Ocean Technology in Chennai.

C. Implementation of the decision of the Council concerning a standardized approach for the development, approval and review of regional environmental management plans in the Area (ISBA/26/C/10)

25. The Commission also made progress in considering possible ways to address issues relating to the development, approval and review of regional environmental management plans, drawing on the two submissions made to the Council, and built on the preliminary discussion of the Commission in March 2020. The Commission decided to continue that work intersessionally, with a view to discussing the results of the intersessional work at its next meeting.

VI. Implementation of the data management strategy of the Authority

26. During the second part of the session, the Commission received updates on the progress made in the development and implementation of the database (DeepData) of the Authority and its management strategy. The Commission noted the progress made with regard to the loading of historic data, the redesign of the geological query layout, security updates, website analytics and the conductivity, temperature and depth module, as well as with regard to plans to improve user knowledge of DeepData through the hosting of a series of workshops and the publication of a user manual for the website.

27. The Commission also took note of the forthcoming workshop on DeepData, focused on its data management strategy, to be convened by the secretariat from 21 to 25 September 2020 through an online platform, and aimed at, inter alia: (a) developing a protocol for the submission of digital data by contractors when submitting annual reports, including appropriate cataloguing, referencing from annual reports and the creation of metadata; (b) reviewing proposed updates to the reporting templates (see [ISBA/21/LTC/15](#), annex IV); and (c) exploring potential collaboration on data exchange and sharing experiences on database management.

VII. Other matters

A. Implementation of the strategic plan of the Authority for 2019–2023

28. The Commission recalled that the Assembly, in its decision relating to the implementation of the strategic plan for the Authority for the period 2019–2023 ([ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#)), committed to the strengthening of existing working practices of the Authority, accordingly invited members of the

Authority and observers, as well as the organs of the Authority, to support the implementation of the strategic plan and the high-level action plan.

29. The Commission noted that, for the reporting period 2019–2020, it had been assigned certain responsibilities for 25 high-level actions, with 30 related outputs, as listed in annex II of the above-mentioned decision. In three cases, no specific output has been identified and therefore, the reporting specifically addresses the high-level action of interest (see high-level actions 2.2.1, 3.1.4 and 3.5.2). Accordingly, the total number of items identified for reporting purposes is 33.

30. The Commission is identified as the “organ responsible” for 11 items, an “associated organ” for 11 other items and a “coordinating organ” for the remaining 11 items. In order to reflect the different rates of completion for each output, in particular the fact that some outputs are recurring, two subcategories of progress status have been identified. One subcategory reflects the “ongoing” nature of some outputs, understood as requiring continuous attention and adjustments. The other subcategory reflects the fact that, in some cases, the output is to be reported against a specific reporting period or action; consequently, the status of completion is considered to be “achieved”. The status of completion of the high-level actions and associated outputs assigned to the Commission for the reporting period 2019–2020 is provided in annex I to the present report.

31. As at 31 May 2020, 54.5 per cent (18) of the high-level actions and outputs assigned had been completed, whereas 45.5 per cent (15) were still in progress. All outputs assigned for the reporting period under strategic directions 1 (“Realize the role of the Authority in a global context”), 8 (“Improve the organization performance of the Authority”) and 9 (“Commit to transparency”) have been completed. Further information and details on the work undertaken against all outputs have been compiled by the secretariat and are available online, at <https://isa.org.jm/files/files/documents/ISBA-26C-12Add1-AnnexIIFinal.pdf>.

B. Review of the environmental impact statement submitted by the Ministry of Earth Sciences of the Government of India

32. On 6 February 2020, the Secretary-General received an environmental impact statement from the Ministry of Earth Sciences of the Government of India relating to the proposed technical trials of a pre-prototype nodule collector in the Indian contract area of the Central Indian Ocean Basin. For its consideration of the issue, the Commission had before it a note by the secretariat on the review of the environmental impact statement (ISBA/26/LTC/5).

33. During the second part of the session, the Commission reviewed the environmental impact statement for completeness, accuracy and statistical reliability and recommended that the Secretary-General communicate to the contractor that, when the statement was incorporated into the programme of activities under the contract, the contractor take into account the suggestions outlined below. In that connection, the contractor was strongly encouraged to make improvements regarding the statistical reliability of the environmental impact statement by:

(a) Conducting a further evaluation of the main impacts expected from the specific activity to guide the focus of the impact assessment;

(b) Strengthening the monitoring programme (before and after) to ensure that it was structured to collect the key data types required to measure the impacts, including taking into account the spatial scale of the monitoring programme and the effectiveness of the impact reference zone and preservation reference zone approach (compared with a more localized gradient design approach);

(c) Enhancing the sampling plan so that it takes into account the main impacts, uses appropriate sampling gear to measure the required parameters, aligns the positioning of the sampling locations with the expected impacts (such as sediment plume) and presents sufficient replication to ensure statistical robustness and station density and to ensure useful results from the collector trials. A sampling design similar to the Indian Deep-sea Environment Experiment (INDEX) could be more informative.

34. The Commission also recommended that the contractor be requested to report, in the context of its annual report, on the manner in which it has taken into account the above suggestions.

C. Relinquishment by China Ocean Mineral Resources Research and Development Association of the area allocated under its exploration contract for polymetallic sulphides

35. On 26 March 2020, the China Ocean Mineral Resources Research and Development Association submitted a report with a list of relinquished cells and maps of the relinquished area to the secretariat in line with regulation 27 (2) of the regulations on prospecting and exploration for polymetallic sulphides in the Area ([ISBA/16/A/12/Rev.1](#), annex). On the basis of the technical review carried out by the secretariat, the Commission noted that the contractor had complied with its relinquishment obligations pursuant to the applicable regulations and the recommendations for the guidance of contractors on the relinquishment of areas under exploration contracts for polymetallic sulphides or cobalt-rich ferromanganese crusts ([ISBA/25/LTC/8](#)). The relinquished areas have reverted to the Area.

Annex I

**Status of completion of high-level actions and related outputs
assigned to the Legal and Technical Commission for the reporting
period 2019–2020**

<i>Strategic directions</i>	<i>Number of items relevant to the reporting period</i>	<i>Completed</i>		<i>In progress</i>	<i>On hold</i>	<i>Completion rate (percentage)</i>
		<i>Ongoing</i>	<i>Achieved</i>			
Strategic direction 1: realize the role of the Authority in a global context	1	1	–	–	–	100
Strategic direction 2: strengthen the regulatory framework for activities in the Area	4	1	1	2	–	50
Strategic direction 3: protect the marine environment	15	2	5	8	–	47
Strategic direction 4: promote and encourage marine scientific research in the Area	–	–	–	–	–	Not applicable
Strategic direction 5: build capacity for developing States	5	–	1	4	–	20
Strategic direction 6: ensure fully integrated participation by developing States	4	2	1	1	–	75
Strategic direction 7: ensure equitable sharing of financial and other economic benefits	–	–	–	–	–	Not applicable
Strategic direction 8: improve the organizational performance of the Authority	1	1	–	–	–	100
Strategic direction 9: commit to transparency	3	2	1	–	–	100
Total	33	9	9	15	–	54.5

Annex II

Status of implementation by the Legal and Technical Commission of the relevant high-level actions and related outputs for the reporting period 2019–2020

The status of implementation by the Legal and Technical Commission of the relevant high-level actions and related outputs for the reporting period 2019–2020 is available (in English only) at the following URL: <https://isa.org.jm/files/files/documents/ISBA-26C-12Add1-AnnexIIFinal.pdf>.



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Agenda item 13

Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

Report of the Chair of the Legal and Technical Commission on the work of the Commission during the resumed meetings of the twenty-sixth session, in 2021

Addendum

I. Introduction

1. The Legal and Technical Commission of the International Seabed Authority resumed its meetings of the twenty-sixth session in a virtual format for a total of six weeks (five weeks between 22 March and 1 July and from 27 to 30 September 2021). It held a total of 24 virtual plenary meetings. The working groups set up by the Commission also met frequently in virtual format to work on various agenda items.

2. At its meeting of 22 March, the Commission adopted a revised agenda¹ and elected Harald Brekke (Norway) as Chair and Thembile Joyini (South Africa) as Vice-Chair. Federico Gabriel Hirsch (Argentina), who was duly elected by the Council on 15 April for the remainder of the term of Martín Mainero (Argentina), participated in the meetings. One member of the Commission (Russell Howorth) was unable to attend any of the virtual meetings.

3. On 24 May, the members of the Commission observed one minute of silence in memory of their colleague, Milind P. Wadikar (India), who had passed away on 18 May, and they requested the Secretary-General to convey their deepest condolences to Mr. Wadikar's family. Following the established practice of the Commission, Sethuraman Ramesh (India) participated in the meetings held in September in his capacity as a candidate nominated by the Government of India in August for the election to fill a vacancy on the Commission.²

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ ISBA/26/LTC/1/Rev.1.

² See ISBA/26/C/45.



4. In view of the virtual format of the meetings, the Commission also followed a silence procedure for its decision-making.

II. Activities of the contractors

A. Report on the status of the contracts for exploration and information on periodic reviews

5. On 22 March, the Commission took note of the information provided by the secretariat on the status of contracts and periodic reviews.³ It was noted that members of the Commission had, intersessionally, regularly provided feedback on periodic reviews to the secretariat.

B. Consideration of the annual reports of contractors

6. From 28 June to 1 July, the Commission considered 30 annual reports on activities carried out by contractors in 2020. The Commission welcomed the preliminary evaluations of those reports by the secretariat. In line with established practice, the Commission set up three working groups to review geological and technological aspects, legal, financial and training aspects and environmental aspects, respectively, of the reports. In addition to specific comments on each report to be conveyed by the Secretary-General to the individual contractors, the Commission made the general comments outlined below.

7. The Commission noted that most contractors had met the extended deadline⁴ set for the submission of their annual reports and followed the structure and format recommended by the Commission.⁵ However, it was also noted that a few contractors had either not met the deadline or not followed the reporting format, despite repeated requests from the Commission in that regard. In this connection, the Commission, in the specific comments to the relevant contractors, urged them to follow the requirements for the following year's reports.

8. In terms of the programmes of activities, the Commission recognized the efforts made by the contractors to make progress with their work despite the constraints resulting from the coronavirus disease (COVID-19) pandemic. In this regard, the Commission noted that some contractors had managed to adhere to their planned programmes of activities and, in some instances, appeared to have further advanced the implementation of planned activities. A number of contractors continued to carry out survey work and analyses of existing or new data and had made progress with environmental baseline studies. Several contractors had undertaken the synthesis of data collected over the past few years, in a way that would support future sampling efforts. The Commission also noted that a few contractors had made progress with technological developments aimed at testing collectors in their contract areas.

9. As could be expected, several contractors had had to reduce or adjust activities as a result of the COVID-19 pandemic. For those contractors the programme of activities of which had been more severely affected, the Commission had sought information on how they would overcome those obstacles. In this connection, the Commission suggested that those contractors provide an analysis of the exploration programme showing the impact of the pandemic, including an action plan for

³ The relevant information has since been updated and included in document [ISBA/26/C/4/Add.1](#).

⁴ In view of the coronavirus disease (COVID-19) situation, the Secretary-General had extended the deadline for submission of annual reports from 31 March to 30 April 2021.

⁵ See [ISBA/21/LTC/15](#).

addressing the identified impacts and determining whether there would be longer-term effects on their programme of activities.

10. More specifically, the Commission noted that the pandemic had had an overall adverse impact on the number and type of planned training activities. The Commission urged the relevant contractors to continue their dialogue with the secretariat to fulfil their training obligations, including by identifying any viable alternative modalities.

11. The Commission noted with appreciation that a number of contractors had improved the quality of their survey designs and enhanced the distribution and replication of sampling efforts in their environmental baseline studies. Several contractors were making significant efforts in completing their environmental baseline studies with a view to preparing applications for exploitation. The Commission, however, expressed concerns about whether sufficient samplings had been collected for environmental baseline studies across the range of environmental parameters to assess natural spatial and temporal variability. Sampling efforts by contractors tended to focus on examining spatial variations in biological and oceanographic patterns rather than seasonal or inter-annual changes. An emphasis had also been placed on sampling in the benthic environment, and some contractors would need to increase sampling in the pelagic environment in accordance with the recommendations contained in documents [ISBA/25/LTC/6/Rev.1](#) and [ISBA/25/LTC/6/Rev.1/Corr.1](#).

12. The Commission noted that, overall, there was a good collaboration among contractors, as well as with academia, in such aspects as taxonomic standardization and the collaborative identification of fauna in seabed images. It was also noted that several contractors had continued to work with other contractors by undertaking joint cruises and using the same scientific techniques and expertise to analyse data. Such cooperation among contractors could be efficient and would help with analyses on a regional scale.

13. The Commission stressed that contractors that had entered into more than one contract with the Authority were required to report on work done under each contract and in respect of each contract area separately. It highlighted that, for such contractors, the work undertaken under one contract was not sufficient to meet their obligations under another contract. Neither should those contractors repeat the description of work undertaken in one contract in their reports for work done under another contract. The Commission had highlighted those observations in its specific comments to the respective contractors.

14. The Commission reiterated its previous observation that a number of contractors were approaching the end of their initial contracts or extension periods. An element that was improving in some annual reports, but was still missing in many others, was a review of how the baseline data were building towards an adequate level to support a robust environmental impact assessment as part of an application for exploitation. The Commission suggested to contractors that such a “gap analysis” should also be reflected in sufficient detail in the annual report in relation to their planned activities for the following year.

15. The Commission noted that some contractors had made general references to information contained in previous reports, as well as to publications or other external sources, to present data and information collected under their programme of activities. In that regard, the Commission emphasized that, where important, those data and information should be summarized and included in future annual reports.

C. Status of the implementation of training programmes under plans of work for exploration and the allocation of training opportunities

16. On 24 March, the Commission heard an update on the implementation of training programmes. The training subgroup was invited to work with the secretariat on the selection of candidates. On 30 June, on the basis of the recommendations from the training subgroup, the Commission selected candidates for three training programmes offered by three contractors.⁶

17. During its virtual meetings held in late June, the Commission discussed the key findings of the review commissioned by the secretariat in 2020 on the capacity-building activities implemented by the Authority since 1994, as well as on the outcomes of the workshop on capacity development, resources and needs assessment held in February 2020 and the survey circulated to all members of the Authority between April and June 2020 to identify their capacity development priorities. Following the decision of the Assembly of December 2020 relating to the implementation of a programmatic approach to capacity development,⁷ the Commission identified the need to review the recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration.⁸ The Commission, accordingly, requested the training subgroup to work with the secretariat intersessionally on that issue.

III. Consideration of applications for the extension of contracts for exploration

18. Seven applications for five-year extensions of approved plans of work for exploration were placed on the agenda of the Commission. They had been submitted by the following contractors: Interoceanmetal Joint Organization (18 September 2020); JSC Yuzhmorgeologiya (7 October 2020); Government of the Republic of Korea (30 October 2020); Deep Ocean Resources Development Co. Ltd. (7 December 2020); China Ocean Mineral Resources Research and Development Association (8 December 2020); Institut français de recherche pour l'exploitation de la mer (17 December 2020); and Federal Institute for Geosciences and Natural Resources of Germany (29 December 2020). The Commission was informed that all applicants had paid the required processing fee of \$67,000. The Commission was noted that one applicant (the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany) was seeking an extension for the first time, while the other six contractors were applying for extensions for a second time.

19. During the two weeks of 12–15 and 26–29 April, the Commission considered the applications expeditiously and in the order of receipt, in accordance with paragraphs 8 and 13 of the procedures and criteria set out in the decision of the Council relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.⁹

20. The Commission set up three working groups to review the geological and technological aspects, the legal, financial and training aspects and the environmental aspects, respectively, of the applications.

⁶ See [ISBA/26/LTC/9](#).

⁷ [ISBA/26/A/18](#).

⁸ [ISBA/19/LTC/14](#).

⁹ [ISBA/21/C/19](#).

21. Following extensive deliberations in the plenary meeting held on the first week, members of the Commission raised various questions in relation to applications for a second extension concerning the fulfilment of the requirements set out in decision [ISBA/21/C/19](#). The questions were transmitted to the relevant applicants on 22 April. They covered the financial, technical, scientific and environmental data and information that had been submitted, and the Commission requested in particular further details on the analysis of results achieved during the extended five-year period, sampled parameters and baseline data collected over the entire period of the contracts, the sampling programme in the proposed plans of work, proposed training programmes and mining technology developments.

22. The responses were provided by the applicants by 27 April and reviewed by the Commission, which noted with appreciation that all the requested data and information had been duly supplied. The Commission recalled that, pursuant to paragraph 12 of the procedures and criteria, if it considered that a contractor had made efforts in good faith to comply with the requirements of the contract for exploration but that, for reasons beyond its control, had been unable to complete the preparatory work necessary for proceeding to the exploitation stage, or if the prevailing economic circumstances (such as those encountered in the global markets and low metal prices) did not justify proceeding to the exploitation stage, then it was to recommend the approval of the applications.

23. In addition, members of the Commission had suggestions regarding the proposed programme of activities during the extension period as submitted by the applicants. The suggestions are to be communicated to the applicants upon approval of the extensions by the Council, with a view to being taken into account by the applicants in drawing up the proposed programmes of activities for the extension period before their extension agreement is signed with the Secretary-General.

24. Having concluded that the data and information provided by the applicants met the criteria set out in decision [ISBA/21/C/19](#) and that all applicable procedures had been complied with, the Commission recommends that the Council approve the seven applications.

25. The recommendations of the Commission in respect of each of the applications are contained in documents [ISBA/26/C/31–37](#).

IV. Regulatory activities of the Authority

A. Development of standards and guidelines for activities in the Area

26. From 22 to 25 March, the Commission continued to consider the development of phase-one standards and guidelines for activities in the Area as a priority matter. On 8 April, it released the text of the following seven draft standards and guidelines for stakeholder consultation until 7 June, which was later extended to 3 July:¹⁰

- (a) Draft guidelines for the establishment of baseline environmental data;
- (b) Draft standard and guidelines for environmental impact assessments process;
- (c) Draft guidelines for the preparation of an environmental impact statement;
- (d) Draft guidelines for the preparation of environmental management and monitoring plans;

¹⁰ See <https://isa.org.jm/mining-code/standards-and-guidelines>.

(e) Draft guidelines on tools and techniques for hazard identification and risk assessment;

(f) Draft standard and guidelines for the safe management and operation of mining vessels and installations;

(g) Draft standard and guidelines for the preparation and implementation of emergency response and contingency plans.

27. From 27 to 30 September, the Commission considered the comments received from stakeholders, as well as comments on the three draft standards and guidelines that had been released for stakeholder consultation in 2020, namely:

(a) Draft guideline on the preparation and assessment of an application for the approval of a plan of work for exploitation;

(b) Draft standard and guidelines on the development and application of environmental management systems;

(c) Draft standard and guidelines on the form and calculation of an environmental performance guarantee.

28. Further details concerning the work of the Commission on the draft standards and guidelines will be included in a separate report, in line with its agreed process as outlined in enclosure II to the annex to document [ISBA/25/C/19/Add.1](#).

B. Matters relating to insurance for activities in the Area

29. On 23 March, on the basis of the outcome of a survey conducted by the secretariat, the Commission developed terms of reference for the preparation of a standard and/or guidelines to assist contractors in complying with regulation 36 on insurance obligations of the draft regulations on exploitation of mineral resources in the Area,¹¹ and it requested the secretariat to work on such draft standard and/or guidelines as part of the development of phase-two standards and guidelines.

C. Matters relating to a remote monitoring system in support of inspection and compliance in the Area

30. On 5 May, the secretariat held an informal workshop for the members of the Commission on the review and development of a remote monitoring system in support of inspection and compliance in the Area, which is required under regulation 102 of the draft regulations on exploitation of mineral resources in the Area. During the workshop, key outcomes of a study on that specific topic were presented by a consultant. On the basis of discussions on the presentation and the study, the Commission identified key points for the way forward and set up a working group to draft terms of reference for a list of mandatory parameters for remote monitoring and reporting.

31. On 1 July, the Commission endorsed the terms of reference prepared by the working group and requested the secretariat to prepare a draft standard and/or guidelines on an electronic monitoring system as a part of the development of phase-two standards and guidelines.

¹¹ [ISBA/25/C/WP.1](#).

D. Procedure and criteria for the consideration of requests for the transfer of rights and obligations under a contract for exploration

32. As work under several contracts for exploration is making substantive progress, which will pave the way for developing plans of work for exploitation, some contractors may seek to avail themselves of the possibility set out in the regulations on exploration to transfer their rights and obligations under a contract for exploration. While the provisions concerning such transfer under annex III to the United Nations Convention on the Law of the Sea and the regulations on exploration set out general requirements, they do not specify the actual procedure and criteria by which the Authority would consider a request for such transfer.

33. On 22 March, bearing in mind the need to ensure the timely and effective management of contracts, the Commission started to consider the issue of the procedure and criteria for the consideration of requests for the transfer of rights and obligations under a contract for exploration. A working group was set up to work on the issues raised by the Commission. After hearing a report from the working group on 28 June, the Commission decided to continue its consideration of the matter intersessionally, with a view to submitting recommendations to the Council in 2022.

V. Review of the implementation of the environmental management plan for the Clarion-Clipperton zone and development of other regional environmental management plans in the Area

34. At its virtual meetings held in May, the Commission conducted a review of the implementation of the environmental management plan for the Clarion-Clipperton zone, as requested by the Council. The review built on a previous review conducted by the Commission in 2016 and identified progress made since the adoption of the plan in 2012, including in relation to the effectiveness of the network of areas of particular environmental interest, as well as further actions to advance the implementation of the plan. On the basis of the review, the Commission formulated recommendations to the Council on the establishment of four additional areas of particular environmental interest to enhance the effectiveness of the network.¹²

35. The Commission noted the progress made by the secretariat in relation to the development of regional environmental management plans in other priority regions. Two virtual workshops had been held in 2020 to support the development of such plans for the areas of the northern Mid-Atlantic Ridge and the North-West Pacific Ocean. The discussion built on the outcomes of previous workshops held in Qingdao, China, for the North-West Pacific, and in Szczecin, Poland, and Evora, Portugal, for the northern Mid-Atlantic Ridge. Additional expert workshops are being planned to support the development of regional environmental management plans in priority regions identified by the Council.¹³ It is expected that the outcomes of those workshops will provide a robust scientific and technical basis to support the work of the Commission in preparing its recommendations on the development of regional environmental management plans for consideration by the Council.

36. The Commission established a working group to discuss how to progress work intersessionally on the regional environmental management plan for the Area in the northern Mid-Atlantic Ridge, drawing on the outcomes of the expert workshops held

¹² See [ISBA/26/C/43](#).

¹³ See [ISBA/24/C/8](#).

for that region. The working group met on 22 June and discussed the outline of the regional environmental management plan and the timeline for the work that it should undertake. In its deliberations on the outline, the working group considered the structure of the environmental management plan for the Clarion-Clipperton zone and the decision of the Council concerning a standardized approach for the development, approval and review of such plans in the Area¹⁴ and the relevant proposals for a procedure for the development, approval and review of the plans¹⁵ and a template with minimum requirements for them.¹⁶ On 23 September, the working group met again to discuss a zero draft of the regional environmental management plan for the northern Mid-Atlantic Ridge. It decided to continue its work intersessionally, with a view to submitting the draft plan for consideration by the Commission at its following session. In the light of the discussions on the outline of the draft plan, the working group also noted that the plan could contribute to the formulation of recommendations on a standardized approach for the development of regional environmental management plans, including a template with indicative elements, as requested by the Council in its decision [ISBA/26/C/10](#). On 30 September, the Commission noted the progress made by the working group.

VI. Implementation of the data management strategy of the Authority

37. On 30 June, the Commission heard an update on progress made in the development and implementation of the DeepData database and the management strategy of the Authority. With a view to improving the alignment of the data flow process with the structure of DeepData, and building on the outcomes of the workshop on DeepData held in September 2020, it was suggested that the templates for reporting geological and environmental data referred to in annex IV to document [ISBA/21/LTC/15](#) should be revisited and updated. The Commission requested the data management working group to work intersessionally with the secretariat on the proposed templates for reporting geological data, environmental data and metadata, and to report to the Commission.

38. On 30 September, the Commission heard an update on the work of the data management working group. On the basis of the recommendations of the working group, the Commission endorsed the updated templates for the reporting of geological and environmental data and metadata for the purpose of annual reports by the contractors, and annex IV to [ISBA/21/LTC/15](#) was amended to that effect.¹⁷ The Commission also recommended that the secretariat hold a series of training sessions to enable contractors to understand the template fields and use the updated reporting templates effectively when submitting digital data to the Authority.

VII. Other matters

39. On 23 March, the Commission took note of the information on the relinquishment of contract areas submitted by the Ministry of Natural Resources and Environment of the Russian Federation under a contract for exploration for

¹⁴ [ISBA/26/C/10](#).

¹⁵ See [ISBA/26/C/6](#).

¹⁶ See [ISBA/26/C/7](#).

¹⁷ See [ISBA/21/LTC/15/Corr.1](#).

polymetallic sulphides and by Global Sea Mineral Resources NV under a contract for exploration for polymetallic nodules.¹⁸

40. On 30 September, the Commission took note of the environmental impact statement from Nauru Ocean Resources Inc. (NORI) regarding its plans to carry out testing of a polymetallic nodule collector in the NORI-D contract area of the eastern Clarion-Clipperton zone, in the Central Pacific Ocean.¹⁹ The Commission set up a working group to review the statement intersessionally and submit recommendations to the Commission at its following session, in 2022.

¹⁸ See [ISBA/26/C/41](#) and [ISBA/26/C/42](#).

¹⁹ See [ISBA/26/LTC/10](#).



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Statement by the President of the Council on the work of the Council during the first part of the twenty-sixth session

I. Opening of the session

1. The first part of the twenty-sixth session of the Council took place from 17 to 21 February 2020.

II. Adoption of the agenda

2. At its 259th meeting, on 17 February 2020, the Council adopted the agenda for its twenty-sixth session ([ISBA/26/C/1](#)).

III. Election of the President and Vice-Presidents of the Council

3. At the same meeting, following consultations among the regional groups, the Council elected the representatives of Nigeria (African States), the Russian Federation (Eastern European States), Jamaica (Latin American and Caribbean States) and Canada (Western European and other States) as Vice-Presidents. Subsequently, the Council elected Taaniela Kula (Tonga) as President of the Council for the twenty-sixth session.

4. On 19 February 2020, the President announced that he had to cease to hold office. Pursuant to rule 24(2) of the rules of procedure of the Council, one of the Vice-Presidents, Kathy-Ann Brown (Jamaica), was designated by the Bureau to act in his place until the election of a new President.

IV. Report of the Secretary-General on the credentials of members of the Council

5. At the 263rd meeting, on 20 February 2020, the Secretary-General indicated that, as at that date, credentials had been received from 33 members of the Council. It was noted that, in accordance with the system agreed upon for the allocation of



seats among the regional groups at the first session of the Council, the Asia-Pacific Group had designated Tonga to participate in the meetings of the Council without the right to vote during the twenty-sixth session. It would be the turn of the Latin American and Caribbean Group to relinquish a seat on the Council in 2021.

V. Issues relating to the election in 2021 of members of the Legal and Technical Commission

6. As requested at its 258th meeting, on 19 July 2019, the Council reverted to the issue of the elections of members of the Legal and Technical Commission as a matter of priority at its 259th and 260th meetings, on 17 February 2020. The Council considered two proposals: the draft decision of the Council relating to the election of members of the Commission, submitted by Algeria, on behalf of the African Group, and by Brazil, on behalf of the Latin American and Caribbean States Group ([ISBA/25/C/L.2](#)), and the proposal to amend draft decision [ISBA/25/C/L.2](#) of the Council relating to the election of members of the Commission, submitted by Australia, Canada, France, Germany, Italy, Norway, Spain and the United Kingdom of Great Britain and Northern Ireland ([ISBA/26/C/L.2](#)).

7. Although several delegations underlined that there were many commonalities in the two proposals before the Council, neither proposal attracted a consensus. On 17, 18 and 19 February, the Council convened in an informal setting in order to find a compromise on the optimum composition and size of the Commission, with the appropriate range of expertise, taking into account equitable geographical distribution and representation of special interests. The Council tasked one of the Vice-Presidents, Vladislav Kurbatskiy (Russian Federation), with facilitating informal consultations for the purpose of preparing a draft decision that would sufficiently reflect the views of the whole membership of the Council for consideration and adoption by consensus.

8. The discussions focused on the size and composition of the Commission and ensuring that the issues of equitable geographical distribution and expertise were treated equally. Several delegations emphasized that the necessary expertise could be found in all regions. Delegations also noted that the text needed to be consistent with the relevant provisions of the United Nations Convention on the Law of the Sea. In this respect, it emerged that for the next election in 2021, the process governing the election of members of the Commission would be informed by the assessment of the present and future needs of the Commission.

9. On 20 February 2020, the facilitator, Mr. Kurbatskiy, presented a working paper in which he proposed to work on a formula on the basis of the following elements:

(a) Overall number of members of the Commission should not exceed the current membership of 30 or be less than 25;

(b) Assessment of the current and future areas of expertise necessary for the proper functioning of the Commission;

(c) Equitable geographical distribution and the representation of special interests in accordance with the relevant applicable provisions of the Convention;

(d) Existing practices applicable in the selection of members of various United Nations bodies, including technical and expert bodies.

10. At its 263rd meeting, on 20 February 2020, the Council adopted a decision relating to the election in 2021 of members of the Commission ([ISBA/26/C/9](#)). The Council decided to consider the question of the composition of the Commission as a matter of priority at the next meeting of the Council, with a view to taking a decision on a mechanism to govern the election of members of the Commission.

VI. Election to fill a vacancy on the Legal and Technical Commission

11. At its 260th meeting, the Council elected Carsten Rühlemann (Germany) to fill the vacancy on the Legal and Technical Commission resulting from the resignation of Christian Jürgen Reichert (Germany), for the remainder of his term until 31 December 2021 (see [ISBA/26/C/5](#)).

VII. Report of the Secretary-General on the status of contracts for exploration and related matters

12. At its 260th meeting, the Council took note of the report of the Secretary-General on the status of contracts for exploration and related matters, including information on the periodic review of the implementation of approved plans of work for exploration ([ISBA/26/C/4](#)), including the proposed development of guidance for contractors on the content, format and structure of periodic reports.

VIII. Report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

13. At its 260th meeting, the Council took note of the report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission ([ISBA/26/C/3](#)). With regard to progress on the development of standards and guidelines, the Secretary-General informed the Council that a considerable amount of work had been carried out and the output would be reviewed by the Commission in accordance with the process and schedule proposed by the Commission (see [ISBA/25/C/19/Add.1](#)) and taken note of by the Council in July 2019. Delegations recognized the importance of the work led by the Commission on the development of standards and guidelines and said it was essential that such standards and guidelines be developed as part of a package, along with the draft regulations on the exploitation of mineral resources in the Area, with the necessary standards and guidelines developed before the adoption of the draft regulations. Some delegations cautioned against sacrificing quality for speed and emphasized the need to advance such work and the development of environmental goals, objectives and principles in a transparent manner.

14. Some delegations welcomed the progress made in the review and development of regional environmental management plans in the Clarion-Clipperton Fracture Zone and northern Mid-Atlantic Ridge and emphasized the need for such plans to be developed in other priority regions, such as the Indian Ocean.

IX. Draft regulations on the exploitation of mineral resources in the Area

15. From 17 to 21 February 2020, the Council resumed its consideration of the draft regulations on the exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)). The Council had the benefit of comments on the draft regulations submitted by members of the Council and other States members of the International Seabed Authority, observers and stakeholders in response to the invitation issued by the Council at its twenty-fifth session ([ISBA/25/C/37](#)); a note by the secretariat on

comments on the draft regulations, which provides a broad overview of the main issues raised in the written submissions and an overview of general points arising from specific regulatory provisions (ISBA/26/C/2); and a collation of specific drafting suggestions made by members of the Council (ISBA/26/C/CRP.1).¹

A. Resumed substantive consideration of the draft regulations on the exploitation of mineral resources in the Area

16. From 18 to 21 February 2020, the Council convened in an informal setting to resume its consideration of the draft regulations on the exploitation of mineral resources in the Area (ISBA/25/C/WP.1). The Council considered parts IV, V and VI and their related annexes IV, VII and VIII.

B. Progress regarding the development and negotiation of the financial terms of a contract

17. At the 261st meeting, on 17 February 2020, the Council received the report of the Chair on the outcome of the third meeting of the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract (ISBA/26/C/8).

18. At the 262nd meeting, on 18 February 2020, some delegations expressed the view that the financial model should include assumptions concerning metal prices, contractor costs and revenues, sponsoring State fees and corporate income tax. The importance of ensuring that there is sufficient transparency in the relationship between contractors and sponsoring States and of including environmental parameters when reviewing the model was also emphasized. It was recalled that the system should be fair to both the Authority and the contractors. Delegations agreed that no option for a payment system should be ruled out at that stage.

19. The Council decided to convene a fourth meeting of the open-ended working group of the Council in advance of the second part of the twenty-sixth session of the Council in order to further advance work on the payment mechanism for polymetallic nodules as a priority. The Council also invited all stakeholders to submit comments to the secretariat by 23 March 2020, for the purpose of further refining the assumptions of the model. While recognizing that the working group had not fully endorsed or discarded any of the four options for the payment mechanism, the Council requested the secretariat to prepare a report in order to refine further the two-stage fixed ad valorem royalty mechanism and the two-stage progressive ad valorem royalty mechanism, including taking into account any comments submitted by stakeholders by 23 March. The Council also requested the secretariat to prepare a comparative study of seabed mining and land-based mining with regard to the policy objective contained in section 8, item (1)(b), of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982. The Council requested the secretariat to make the documentation to be considered at the next meeting of the working group available on the Authority's website at least 14 days before the first day of the next meeting. The Council emphasized the need for broad participation of the member States of the Authority in the fourth meeting and recalled that it had agreed to the use of the voluntary trust fund to support the participation of members of the Council from developing countries for that purpose.

¹ Available at www.isa.org.jm/document/isba26ccrp1.

C. Working modalities

20. At its 262nd meeting, the Council discussed a working method to advance the consideration of the draft regulations. While some delegations expressed support for the establishment of additional informal working groups focusing on thematic and complex questions, others raised concerns over timing and potential parallel meetings of such working groups. Concerns were also expressed about proposals that intersessional meetings of such working groups could be convened or that meetings could be held away from the headquarters of the Authority. It was generally agreed that the informal working groups should make full use of the time and meeting services available during the Council's meetings and that parallel and intersessional meetings should be avoided.

21. On 20 February 2020, the Council appointed one of the Vice-Presidents, Kenneth Wong (Canada), to facilitate informal consultations on the working modalities related to the draft regulations.

22. At the 264th meeting, on 21 February, on the basis of the informal consultations, the facilitator presented a working paper to the Council containing proposed working modalities to advance the consideration of the draft regulations. The Council adopted the proposed working modalities and, in addition to the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract, the Council agreed to establish the following three informal working groups on thematic issues, each to be led by a facilitator:

(a) Informal working group on the protection and preservation of the marine environment;

(b) Informal working group on inspection, compliance and enforcement;

(c) Informal working group on institutional matters (including the role and responsibilities of the various organs of the Authority, timelines, recourse to independent expertise and stakeholder participation).

Liability issues were not considered to be ripe for consideration in the context of an informal working group as the Legal and Technical Commission was currently seized of the matter.

23. The annex to the decision of the Council concerning working methods to advance discussions on the draft regulations ([ISBA/26/C/11](#)) details the mandate and working modalities of the informal working groups and the role of the facilitators. The Council requested the facilitators to report on progress in their work at the next meeting of the Council in July 2020.

24. The Acting President recalled that the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract was chaired by a member of the Western European and other States Group. The African Group appointed Janet Omoleegho Olisa (Nigeria) as the facilitator of the informal working group on inspection, compliance and enforcement. The Council agreed that the Asia-Pacific Group would nominate a facilitator for the informal working group on the protection and preservation of the marine environment, while the facilitator of the informal working group on institutional matters would be appointed by the Latin American and Caribbean Group. It was agreed that the Asia-Pacific Group and the Latin American and Caribbean Group would communicate their nominations to the secretariat at their earliest convenience and that the Bureau would work with the secretariat to ensure that the facilitators were fully briefed in preparation for the second part of the twenty-sixth session of the Council in July 2020. The Council noted that a member of the Eastern European Group had already been appointed to facilitate

work on the question of the election of the members of the Legal and Technical Commission and therefore the Group had indicated that it would not put forward a facilitator for the informal working groups.

D. Regional environmental management plans

25. On 19 February 2020, in the context of part IV of the draft regulations, the Council considered a proposal on a procedure for the development, approval and review of regional environmental management plans ([ISBA/26/C/6](#)) and a proposal for a template with minimum requirements for regional environmental management plans ([ISBA/26/C/7](#)), both of which had been submitted by the delegations of Germany and the Netherlands, with co-sponsorship by Costa Rica. The general views on the matter coincided with the desirability of working towards the standardization of the approach to the development of regional environmental management plans. A delegation suggested that such plans should be legally binding. Some delegations appreciated the importance of developing the plans and said that any suggested technical working groups should be informal and ad hoc and that no formal bodies should be established. A number of delegations emphasized the importance of ensuring that both proposals were considered in conjunction with the existing work being carried out under the draft regulations as well as under the auspices of the Legal and Technical Commission in accordance with its mandate under the Convention. Delegations raised questions about the specifics of how the technical working groups would function and suggested that the cost implications of establishing such groups be considered by the Finance Committee. Delegations were hesitant about the Council adopting the approach described in the two proposals, on the basis that the creation of a body of experts external to the Legal and Technical Commission could raise problems. Reference was also made to the Commission's current review into improving its processes for the development of regional environmental management plans on the basis of a guidance document prepared by the secretariat, and it was noted that the Commission's processes were similar to the process outlined in the two proposals. The importance of the Council having a greater supervisory role in this respect was also emphasized.

26. At the 264th meeting, on 21 February 2020, following further discussions in an informal setting, the Council adopted a decision concerning a standardized approach for the development, approval and review of regional environmental management plans in the Area ([ISBA/26/C/10](#)). The Council requested the Legal and Technical Commission, in consultation with the Finance Committee if necessary, to further develop the guidance to facilitate the development of regional environmental management plans, in accordance with the Convention, the Agreement and the rules, regulations and procedures of the International Seabed Authority, and taking into account, as appropriate, the two above-mentioned proposals ([ISBA/26/C/6](#) and [ISBA/26/C/7](#)), with a view to recommending to the Council a standardized approach, including a template with indicative elements. The Council also requested the Commission to report on the progress made in its work on this issue at the next meeting of the Council, in July 2020.



Council

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Statement by the President of the Council on the work of the Council during its resumed twenty-sixth session

I. Resuming of the session

1. Since the last in-person meetings of the Council, in February 2020, the Council has proceeded with the adoption of decisions under the silence procedure owing to exceptional circumstances due to the coronavirus disease (COVID-19) pandemic, including the approval of a plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd., sponsored by the Government of Jamaica, and decided to take note of those decisions at its first resumed meeting. The resumed twenty-sixth session of the Council was held in a hybrid format from 6 to 10 December 2021.

2. At its 265th meeting, on 6 December 2021, the Council adopted its decision concerning the decisions adopted under silence procedure in 2020 and 2021 (see [ISBA/26/C/48](#)).

II. Report of the Secretary-General on the credentials of members of the Council

3. At the 269th meeting of the Council, on 8 December 2021, the Secretary-General indicated that, as at that date, credentials had been received from 36 members of the Council. It was noted that, in accordance with the understanding reached in 1996 ([ISBA/A/L.8](#)), the Asia-Pacific Group had designated Tonga to participate in the meetings of the Council, without the right to vote, during the twenty-sixth session. It would be the turn of the Latin American and Caribbean Group to relinquish a seat on the Council in 2022.

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.



III. Election to fill a vacancy on the Legal and Technical Commission

4. At its 265th meeting, the Council elected Sethuraman Ramesh (India) to fill the vacancy on the Legal and Technical Commission left as a result of the untimely demise of Milind P. Wakdikar (India), for the remainder of his term, until 31 December 2022 (see [ISBA/26/C/45](#)). The Council expressed its deepest condolences to Mr. Wakdikar's family and to the Government of India and paid tribute to his contributions to the work of the International Seabed Authority.

IV. Status of contracts for exploration and related matters

5. At the same meeting, the Council took note of the report on the status of contracts for exploration and periodic reviews ([ISBA/26/C/4/Add.1](#)). Several delegations made comments on the templates for the periodic review and annual reports on contractors' activities that facilitate the review process. Views were also expressed on the increasing transparency of contracts with the release of public templates by most contractors. The Council also noted relinquishments of exploration areas by the Ministry of Natural Resources and Environment of the Russian Federation under the contract for exploration for polymetallic sulphides between the Ministry and the International Seabed Authority ([ISBA/26/C/41](#)), by Global Sea Mineral Resources NV ([ISBA/26/C/42](#)) and by China Ocean Mineral Resources Research and Development Association under its contract for exploration for polymetallic sulphides ([ISBA/26/C/24](#)).

V. Report of the Secretary-General on the status of national legislation relating to deep seabed mining and related matters

6. Also at the same meeting, the Council was provided with a report on the status of national legislation relating to deep seabed mining and related matters ([ISBA/26/C/19](#)), which was updated orally, and took note of the report. The Council requested that the Secretary-General prepare a report on the topic for its next session.

VI. Report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission

7. The Council was presented with two addenda to the report of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the reports of the Chair of the Legal and Technical Commission ([ISBA/26/C/3/Add.1](#) and [Add.2](#)) and took note of them. The Council noted the increased transparency of explorations contracts and the availability of information on the matter on the Authority's website and encouraged efforts to be pursued through dialogue with contractors (see also [ISBA/26/C/57](#)). Some delegations expressed the view that standards and guidelines should be treated as part of the regulatory package and that they should be translated into all languages of the Authority. A delegation commented that there were no instances of non-compliance by contractors. A delegation noted the importance of taking note of the commitments made on behalf of Pacific States at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. A delegation commended the Authority

for its collaboration with the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization to integrate non-confidential environmental information into the Ocean Biogeographic Information System of the Intergovernmental Oceanographic Commission.

VII. Issues relating to the election in 2022 of members of the Legal and Technical Commission

8. At its 266th meeting, on 6 December, the Facilitator, Vladislav Kurbatskiy (Russian Federation), presented his revised draft mechanism for elections of members of the Legal and Technical Commission, as contained in the annex to [ISBA/26/C/20](#). The Facilitator also reported on further informal consultations that he had held with regional groups.

9. The Council expressed its appreciation for the efforts made by the Facilitator in the challenging context of the COVID-19 pandemic. Following an exchange of views indicating that further consultation was needed, the Facilitator convened a fourth round of consultations. Notwithstanding positive involvement by all delegations through several rounds of informal consultations, no compromise could be reached, and the Council requested the Facilitator to hold further consultations to facilitate the emergence of a consensus on the matter prior to the next election of members of the Legal and Technical Commission in 2022.

VIII. Applications for extensions of contracts in accordance with the procedures and criteria for the extension of an approved plan of work for exploration

10. At its 266th meeting, the Council considered seven reports and recommendations of the Legal and Technical Commission relating to seven applications for a five-year extension of approved plans of work for polymetallic nodules. The applications had been submitted by Interoceanmetal Joint Organization ([ISBA/26/C/31](#)), JSC Yuzhmorgeologiya ([ISBA/26/C/32](#)), the Government of the Republic of Korea ([ISBA/26/C/33](#)), Deep Ocean Resources Development Co. Ltd. ([ISBA/26/C/34](#)), China Ocean Mineral Resources Research and Development Association ([ISBA/26/C/35](#)), the Institut français de recherche pour l'exploitation de la mer ([ISBA/26/C/36](#)) and the Federal Institute for Geosciences and Natural Resources and the International Seabed Authority ([ISBA/26/C/37](#)).

11. At the same meeting, the Council, acting on the recommendations of the Legal and Technical Commission, approved all seven applications for extensions of contracts for exploration. The decisions of the Council with respect to each application are contained in documents [ISBA/26/C/49](#) to [ISBA/26/C/55](#).

IX. Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

12. At its 271st and 272nd meetings, on 9 December 2021, the Council was presented with the reports of the Chair of the Legal and Technical Commission on the work of the Commission at its three virtual meetings since the last meeting of the Council in February 2020. These reports are in [ISBA/26/C/12](#), [ISBA/26/C/12/Add.1](#) and [Add.2](#).

13. The Council commended the Legal and Technical Commission for its hard work under the challenging circumstances.

14. The Council also commended the efforts of the contractors to carry out their activities and training programmes in the context of the COVID-19 pandemic.

15. Several comments were made in relation to the development of standards and guidelines for activities in the Area, activities of contractors, including training programmes, the study of the potential impact of polymetallic nodules production from the Area on the economies of developing land-based producers of those metals that are likely to be the most seriously affected, and the process for environmental impact assessment for designated activities during exploration. The Chair of the Legal and Technical Commission responded to queries and provided some clarification. These aspects are addressed in the decision of the Council on the reports of the Chair of the Commission ([ISBA/26/C/57](#)).

16. The Council also took note of the updated templates for the reporting of geological and environmental data and metadata for the purpose of annual reports by the contractors (see annex IV to [ISBA/21/LTC/15](#) and [Corr.1](#)).

17. The Council further took note of the recommendation of the Legal and Technical Commission regarding the establishment of the Economic Planning Commission. Divergent views were expressed with respect to the timing of the establishment of that Commission. The Council requested the Secretary-General to prepare a report on the matter for consideration of the Council in 2022 (see [ISBA/26/C/57](#)).

18. In addition, at its 272nd meeting, the Council considered the report and recommendations of the Legal and Technical Commission on the review of the implementation of the environmental management plan for the Clarion-Clipperton Zone ([ISBA/26/C/43](#)). Delegations expressed their support for the recommendation on the establishment of four additional areas of particular environmental interest, in order to enhance the effectiveness of the network of areas of particular environmental interest. Delegations also noted the progress made in the implementation of the environmental management plan for the Clarion-Clipperton Zone and further action to advance the implementation of the plan. Several delegations underscored further measures to be implemented, in addition to area-based management tools, which include the continued collection and synthesis of environmental baseline data, cumulative impact assessments at a regional scale, further guidance on the establishment of impact reference zones and preservation reference zones, as well as measures in anticipation of future test mining activities in the Clarion-Clipperton Zone. Delegations also supported regular review of the implementation of the environmental management plan for the Clarion-Clipperton Zone. Furthermore, several delegations expressed the view that no exploitation activities should take place without the relevant regional environmental management plan in place.

19. Following that discussion, at its 274th meeting, on 10 December 2021, the Council adopted a decision relating to the review of the implementation of the environmental management plan for the Clarion-Clipperton Zone, including the approval of the designation of four additional areas of particular environmental interest (see [ISBA/26/C/58](#)).

20. With respect to the development of regional environmental management plans in other priority regions identified by the Council, the Council noted the progress made in the development of such plans for the Area of the northern Mid-Atlantic Ridge and Northwest Pacific, as well as the need to initiate the development of a regional environmental management plan for the Indian Ocean triple junction ridge and nodule-bearing province. Several delegations recalled the decision of the Council concerning a standardized approach for the development, approval and review of

regional environmental management plans in the Area ([ISBA/26/C/10](#)) and requested that the Legal and Technical Commission make further progress in implementing that decision.

21. At its 274th meeting, the Council adopted its decision relating to the reports of the Chair of the Legal and Technical Commission on the work of the Commission, based on the various reports presented by its Chairs (see [ISBA/26/C/57](#)).

X. Report of the Finance Committee

22. At its 269th meeting, the Council was presented with the report of the Finance Committee and took note of it ([ISBA/26/A/10-ISBA/26/C/21](#) and [ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1](#)).

23. The Council expressed its appreciation to the Committee, which was able to advance its work through virtual meetings thanks to the dedication of its members. The Council also expressed its condolences to the family of Reinaldo Storani (Brazil) and paid tribute to his contributions to the work of the Committee.

24. At the same meeting, the Council adopted its decision on financial and budgetary matters (see [ISBA/26/C/56](#)).

25. In addition, the Council reviewed the report by the Finance Committee on the main elements involved in the formulation of rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area, including questions in annex II to the report about which the Committee requested some guidance on key policy aspects ([ISBA/26/A/24-ISBA/26/C/39](#)). The Council expressed its appreciation for the comprehensive report and interesting proposals contained in it. It was emphasized that the pioneering topic was at the core of the goals of the Authority and that what was at stake was not a discussion on mere financial aspects, but rather the design of an appropriate mechanism on a non-discriminatory basis (United Nations Convention on the Law of the Sea, art. 140, para. 2).

26. Several delegations made comments of a preliminary nature on proposed options for the distribution of benefits derived from activities in the Area. Considering that the conduct of activities is to benefit current and future generations and that this calls for intergenerational solidarity, some delegations questioned whether the direct distribution of funds would be the best option. As an alternative, several delegations expressed general support for considering the establishment of a seabed sustainability fund as a proper tool to avoid the complexities that equitable sharing formulas could entail. Delegations also commented on the suggested purposes of the fund, namely, to advance marine scientific research with a view to promoting: (a) increased knowledge; (b) the sustainable use of the resources of the ocean; and (c) the protection and preservation of biodiversity. The other suggested purposes of the fund are to enhance the available technology for the effective protection of the marine environment and to contribute to capacity-building and the transfer of technology.

27. Some delegations stressed that a seabed sustainability fund should be kept distinct from the environmental compensation fund, which the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea, in its 2011 advisory opinion, suggested the creation of, and which has completely different purposes.

28. With respect to the other questions posed regarding annex II to the Finance Committee's report, several delegations expressed views as to whether future revenue from exploitation activities could compensate for increases in the administrative budget of the Authority, while at the same time fulfilling its goal of contributing to a

proper sharing of benefits from the exploitation activities in the Area. The view was expressed that a more detailed study by the Committee would be welcome. Lastly, with regard to the criteria for access to a future economic assistance fund provided for under article 151 of the United Nations Convention on the Law of the Sea, several delegations reiterated that only funds received from contractors and voluntary contributions should be used to such an end.

XI. Report on matters relating to the Enterprise

29. At its 270th meeting, on 8 December 2021, the Council expressed its appreciation for the two reports presented by the Special Representative of the Secretary-General for the Enterprise ([ISBA/26/C/15](#) and [ISBA/26/C/46](#)) and took note of them, along with the update concerning the impossibility of the Government of Poland proceeding further with the proposal for joint venture arrangements.

30. At its 274th meeting, the Council took into account the Legal and Technical Commission's recommendation on the appointment of an interim director general for the Enterprise to give effect to the step-by-step approach to the operationalization of the Enterprise, as provided for in the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, as well as the financial assessment of the creation of the post by the Finance Committee. The Council extended the mandate of the Special Representative of the Secretary-General for the Enterprise until the end of the twenty-seventh session (see [ISBA/26/C/57](#)).

XII. Draft regulations for exploitation of mineral resources in the Area

31. On 7, 8, 9 and 10 December 2021, the Council considered the report on the status of the draft regulations on exploitation of mineral resources in the Area and a proposed road map for 2022 and 2023 ([ISBA/26/C/44](#)) towards the finalization of the draft regulations on exploitation of mineral resources in the Area by July 2023.

32. The Council took note of the report of the Secretary-General on the process of development of the draft regulations for exploitation in the Area and recognized the considerable amount of work ahead, qualifying the task as daunting but necessary in the light of the mandate of the Authority to regulate the exploitation of mineral resources and develop a robust and comprehensive regulatory framework. It was noted that it was necessary to accelerate the work on the draft regulations, but without compromising on the quality of the text, and that "nothing is agreed, until everything is agreed". Several delegations commented on the importance of a robust science-based regulatory framework and of ensuring the protection of the marine environment. Comments were also made in relation to the following aspects: deliverables; format, duration and modalities of the meetings; and review of the road map. The Council stressed that the informal working groups should start work as soon as possible and stressed the role of Facilitators in the negotiation of the draft regulations, given that it was the time to enter into negotiations of the text and that there should be no more exchange of statements. A delegation also indicated that the Council needed to consider once again issues of the nature, number and content of standards and guidelines, including further criteria for environmental impact assessments. Some delegations expressed the view that standards and guidelines should be treated as part of the regulatory framework.

33. Some delegations indicated the importance of having a discussion on consequences if the Council were unable to finalize the draft regulations by July 2023, including the possibility of requesting an advisory opinion from the Seabed Disputes Chamber. Several delegations, while recognizing the merits in having such discussions, emphasized that this would distract the attention of the Council at a time when it should negotiate the text as an urgent priority.

34. The proposed road map was revised to include: (a) precise dates; (b) a tentative agenda; and (c) details on the modalities of the informal working groups established pursuant to the Council's decision contained in [ISBA/26/C/11](#) to accommodate intersessional work, including through electronic means, as appropriate. The road map will be reviewed at the end of the last Council meeting of 2022 to take stock of advances in the formulation of the regulatory framework for exploitation, including the standards and guidelines, and to consider possible scenarios, as foreseen in section 1, paragraph 15 of the annex to the 1994 Agreement, in addition to any other pertinent legal considerations.

35. At its 273rd meeting, on 10 December 2021, the Council endorsed the road map, as further revised (see annex).

XIII. Cooperation with other relevant international organizations

36. At its 270th meeting, the Council took note of and approved the memorandum of understanding between the Indian Ocean Rim Association and the International Seabed Authority ([ISBA/26/C/16](#), annex).

XIV. Report on the implementation of the strategic plan and high-level action plan of the International Seabed Authority for the period 2019–2023

37. At its 274th meeting, the Council took note of the update on the implementation of the strategic plan and high-level action plan of the Authority for the period 2019–2023 ([ISBA/26/A/8-ISBA/26/C/23](#)). The Council recommended that the Assembly take note of the report.

XV. Date of the next session

38. As indicated in the road map, the meetings of the Council for the first part of its twenty-seventh session will be held from 21 March to 1 April 2022.

XVI. Close of session

39. The meeting of the resumed twenty-sixth session of the Council ended on 10 December 2021.

Annex

Road map for the twenty-seventh session of the Council of the International Seabed Authority, in 2022¹

1. Following discussion on the status of the draft regulations on exploitation of mineral resources in the Area and proposed road map for work on the draft regulations in 2022, the road map has been revised to include: (a) precise dates; (b) a tentative agenda; and (c) details on the modalities of the informal working groups established pursuant to the Council's decision contained in [ISBA/26/C/11](#) to accommodate intersessional work, including through electronic means, as appropriate.²

2. The road map anticipates that remaining appointments of Facilitators of the informal working groups will be announced by 15 December 2021. The informal working groups, as agreed in [ISBA/26/C/11](#), are:

(a) Open-ended working group in respect of the development and negotiation of the financial terms of a contract, chaired by Olav Myklebust (Norway);

(b) Informal working group on the protection and preservation of the marine environment, facilitated by Rajjeli Taga (Fiji);

(c) Informal working group on inspection, compliance and enforcement, facilitated by Janet Omoleegho Olisa (Nigeria);

(d) The informal working group on institutional matters (including the role and responsibilities of the various organs of the Authority, timelines, recourse to independent expertise and stakeholder participation), to be facilitated by a nominee of the Latin American and Caribbean Group.

¹ The road map will be reviewed at the end of the last Council meeting of 2022 to take stock of advances achieved in the formulation of the regulatory framework for exploitation, including the standards and guidelines, and to consider possible scenarios, as foreseen in section 1, paragraph 15 of the annex to the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea, in addition to any other pertinent legal considerations.

² During the discussion by the Council of the status of the draft regulations on exploitation of mineral resources in the Area and the proposed road map for 2022 and 2023 ([ISBA/26/C/44](#)), it was noted that it was necessary to accelerate the work on the draft regulations and that "nothing is agreed, until everything is agreed".

<i>Organ</i>	<i>Date</i>	<i>Working methods relating to the draft regulations</i>	<i>Tentative agenda</i>
<i>First part (February–April 2022)</i>			
Council (webinar format)	February 2022	Informal working group on the protection and preservation of the marine environment (1 session)	<p>By early February 2022, the Facilitator for the informal working group on the protection and preservation of the marine environment will circulate a paper containing revised text to parts IV and VI and annexes IV, VII and VIII of the draft regulations on exploitation of mineral resources in the Area (ISBA/25/C/WP.1) reflecting the discussions from February 2020 and incorporating comments received from all members and observers</p> <p>In late February 2022, the Facilitator will host a webinar to receive general views on the paper prepared by the Facilitator</p> <p>Prior to the Council's meeting in March 2022, the Facilitator will prepare an information note that provides a summary of the general views expressed at the webinar</p>
Legal and Technical Commission	14–18 March (1 week)		
Council	21 March–1 April (2 weeks)	Plenary (2 days)	<p>Organization of work and introduction of remaining elements of the draft regulations on exploitation of mineral resources in the Area (ISBA/25/C/WP.1 and ISBA/26/C/17, draft annex VI)^a</p> <p>Consideration of the report of the Chair of the Legal and Technical Commission annexing all draft phase one standards and guidelines in the official languages of the Authority, containing</p>

<i>Organ</i>	<i>Date</i>	<i>Working methods relating to the draft regulations</i>	<i>Tentative agenda</i>
			recommendations on the phase one standards and guidelines and the reasons for the Commission's decision. Documents expected to be published at the end of January 2022
		Informal working group on the protection and preservation of the marine environment (3 days)	The Facilitator for the informal working group on the protection and preservation of the marine environment will report on the revised text and the general views expressed by the group Negotiations begin on the text presented by the Facilitator and relevant phase one standards and guidelines
		Informal working group on inspection, compliance and enforcement (1 days)	Introduction to the work of the informal working group by the Facilitator, outlining scope of work and discussion of modalities for the work of the group
		Informal working group on institutional matters (1 days)	Introduction to the work of the informal working group by the Facilitator, outlining scope of work and discussion of modalities for the work of the group
		Fourth meeting of the open-ended informal working group in respect of the development and negotiation of the financial terms of a contract (2 days)	The Chair of the open-ended informal working group will issue a briefing note for the meeting by third week of February 2022 The Chair will present the briefing note at the meeting Working group to continue its discussions from previous meeting
		Plenary (1 day)	Review of progress on road map Reports of Facilitators

<i>Organ</i>	<i>Date</i>	<i>Working methods relating to the draft regulations</i>	<i>Tentative agenda</i>
			Agreement on necessary intersessional work
<i>Second part (July–August 2022)</i>			
Finance Committee	13–15 July (3 days)		
Legal and Technical Commission	4–15 July (2 weeks)		
Council	18–29 July (2 weeks)	Informal working groups	Precise agenda to be agreed based on progress made at the Council’s meeting in March 2022
		Plenary (review of outputs and review of progress)	
Assembly	1–5 August (1 week)		
<i>Third part (October–November 2022, subject to resources)</i>			
Council	31 October–11 November (2 weeks) ^b	Informal working groups	Precise agenda to be agreed based on progress made at the Council’s meeting in July 2022
		Plenary (review of outputs and review of progress)	Discussion of “what if” scenario

^a Other relevant documents and information are found in the collation of specific drafting suggestions by members of the Council (ISBA/26/C/CRP.1) and comments on the draft regulations on the exploitation of mineral resources in the Area (ISBA/25/C/2), together with the comments received from other States members of the International Seabed Authority, observers and stakeholders.

^b Tentative.



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Agenda item 17

Report on matters relating to the Enterprise

Report of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise

I. Introduction

1. The present report is submitted in keeping with the terms of reference of the Special Representative of the Secretary-General for the Enterprise contained in the contract signed between the Special Representative in his capacity as consultant and the International Seabed Authority on 30 October 2019.
2. The terms of reference are based on the decision of the Council ([ISBA/25/C/36](#)), in which it requested the Secretary-General to extend the contract and renew the terms of reference of the Special Representative until the end of the twenty-sixth session of the Authority.
3. During the reporting period, in accordance with the terms of reference, the Special Representative performed the functions described below.

A. Proposed joint venture with Poland

4. In furtherance of the mandate established by the Council and outlined in the terms of reference contained in the contract, the Special Representative made contact with representatives of the Government of Poland through electronic communication in October 2019, enquiring as to the state of preparedness of the Polish authorities for the convening of the second round of negotiations for the conclusion of a joint venture agreement with the Enterprise. The Special Representative was advised that further internal consultations were being conducted and that the Polish authorities were unable to provide any information on the resumption of negotiations at that time. Follow-up contacts were made in January 2020, by electronic means, in February on the margins of the first part of the twenty-sixth session of the Authority, and in April 2020. To date, no additional information has been obtained on the matter.



5. In view of this situation, it is not yet possible to submit to the Council a full proposal between Poland and the Enterprise for a joint venture, parts of which have been agreed upon ad referendum.

B. Participation in meetings of the first part of the Council session in February 2020

6. In keeping with the mandate established by the Council, the Special Representative participated actively in the plenary meetings of the Council and the open-ended informal working group of the Council, which deliberated on the draft regulations on exploitation of mineral resources in the Area. The Special Representative proposed amendments to the draft regulations, which emphasized, but were not limited to, the role that the Enterprise is expected to play in activities in the Area consistent with the provisions of part XI of the United Nations Convention on the Law of the Sea and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

C. Consultations with regional groups and other entities on the operationalization of the Enterprise

7. The Special Representative met with representatives of regional groups and other entities, including contractors, on matters concerning the operationalization of the Enterprise on the sidelines of the first part of the twenty-sixth session of the Authority.

8. It was evident during the interactions that, while there was general support for the Enterprise, representatives of regional groups were waiting on the recommendations of the Legal and Technical Commission in relation to the study related to issues on the operationalization of the Enterprise,¹ to be submitted to the Council for its consideration during the second part of the twenty-sixth session, in July 2020. One delegation advised that, within its capital, the issue of exploring the possibility of concluding a joint venture with the Enterprise had been discussed in a preliminary manner and that it would advise the Special Representative on any further development on the matter in July.

9. In an effort to engage in the most general discussion possible on matters germane to the Enterprise, the Special Representative used the opportunities presented at other events to speak about the need to operationalize the Enterprise. These included accepting an invitation to address participants at a workshop for the Latin America and Caribbean Group organized by the Permanent Mission of Costa Rica to the International Seabed Authority held at Strawberry Hill Hotel, Irish Town, Saint Andrew, Jamaica, on 16 February 2020, during which delegations expressed their support for the need to have the Enterprise become operational.

10. The Special Representative was also invited to speak at a fully sponsored expert group meeting on the strategic road map for the development of deep sea mining regulations in the framework of Africa's blue economy, which was held in Addis Ababa on 28 and 29 January 2020, and seized the opportunity to speak on the topic of the operationalization of the Enterprise to the participants in the corridors of that

¹ Edwin Egede, Mati Pal and Eden Charles, "A study related to issues on the operationalization of the Enterprise: legal, technical and financial implications for the International Seabed Authority and for States parties to the United Nations Convention on the Law of the Sea", International Seabed Authority, Technical Report 1/2019, 13 June 2019.

workshop. Participants used the moment to reiterate the support of the Group of African States for the early operationalization of the Enterprise.

11. At the invitation of the Ambassador of Chile to Trinidad and Tobago, Juan Anibal Barria, the Special Representative met with the Ambassador on 24 January 2020 and briefed him on his work related to the Enterprise.

12. The Special Representative also participated as a panellist at the International Conference on Legal, Scientific and Economic Aspects of Deep Seabed Mining, held in Kingston from 14 to 16 November 2019, commemorating the twenty-fifth anniversary of the establishment of the Authority. During the conference, he presented the paper entitled “The Enterprise and the common heritage of mankind”. Here again, before a diverse audience, including diplomats, judges, academics, international lawyers and other officials from different regions of the globe, the Special Representative touched on, inter alia, the importance of the operationalization of the Enterprise as a means of giving effect to the principle of the common heritage of mankind, with particular reference to its role in the participation of developing countries in activities in the Area. In addition, the operationalization of the Enterprise is a means to fully give effect to the “parallel system” of access, which is the bedrock of the system of exploration and exploitation.

II. Future action required

13. The Special Representative notes that the Council has taken important steps, in particular through its decision adopted during the second part of the twenty-fifth session, to provide opportunities for the Special Representative to participate in the deliberations of the Council with Poland for a joint venture agreement and to undertake other activities identified in the terms of reference contained in the contract. It is noted that additional action is needed in order for the Enterprise to become operationalized.

14. In the light of the foregoing, the Council is invited to:

(a) Take note of the present report of the Special Representative in keeping with the terms of reference contained in the contract between the Special Representative and the Authority, consistent with the decision of the Council;

(b) Provide guidance on the next steps to be taken with the relevant Polish authorities on the status of preparedness for the resumption of negotiations for the conclusion of the joint venture agreement with the Enterprise.



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Agenda item 12

Draft regulations for exploitation of mineral resources in the Area

Draft regulation 30 and draft annex VI to the draft regulations for exploitation of mineral resources in the Area

Note by the secretariat

1. In the draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)), the protection of human life and safety as a fundamental principle is recognized (draft regulation 2 (d)). An application for the approval of a plan of work for exploitation must include a health and safety plan and a maritime security plan prepared in accordance with annex VI to the regulations (draft regulation 7 (3) (f)). The Legal and Technical Commission of the International Seabed Authority must determine if such plan of work provides for the effective protection of human health and safety of individuals engaged in exploitation activities (draft regulation 13 (4) (c)). In addition, draft regulation 30 imposes certain related obligations on contractors engaged in exploitation activities in the Area, including ensuring compliance with the applicable international rules and standards established by competent international organizations or general diplomatic conferences concerning the safety of life at sea, the pollution of the marine environment by vessels, the prevention of collisions at sea and the treatment of crew members, as well as any rules, regulations and procedures and standards adopted from time to time by the Council relating to those matters (draft regulation 30 (2)).

2. At the twenty-fifth session of the Authority, the Commission noted that annex VI to the draft regulations was yet to be completed, and requested that the secretariat present a draft health and safety plan and a draft maritime security plan for consideration by the Commission at its following session with a view to making recommendations to the Council on that issue.

3. With regard to regulation 30 of the draft regulations, the Commission expressed the view that it would be beneficial for the secretariat to explore matters relating to the occupational health and safety rules in effect and competencies required on board vessels and installations for non-seafarers engaged in activities in the Area with the International Labour Organization (ILO), including the applicability of the Maritime Labour Convention, 2006.



4. With a view to responding to those requests, the secretariat prepared a scoping study on the interface of the competencies of the Authority and ILO and the application of international labour instruments to activities in the Area in the context of article 146 of the United Nations Convention on the Law of the Sea. It also prepared a draft of annex VI for consideration by the Commission at the twenty-sixth session of the Authority.
5. During the first part of the twenty-sixth session, the Commission, on the basis of the scoping study and the report on the competencies of the Authority and the International Maritime Organization (IMO) in the context of activities in the Area (see [ISBA/25/C/19/Add.1](#), paras. 23–26), previously made available, agreed that the approach reflected in the current draft regulation 30, i.e., of referring to the applicable international rules and standards established by competent international organizations or general diplomatic conferences, was sufficient for the foreseeable future.
6. The Commission also decided to recommend to the Council that it draw the attention of the Assembly to the need to encourage member States that have not yet done so, in particular sponsoring States, to become parties to the applicable international rules and standards established by competent international organizations, in particular the Maritime Labour Convention, 2006.
7. The Commission further proposed that the secretariat enter into discussions with ILO with a view to concluding a cooperation agreement between the Authority and the ILO to keep emerging issues concerning occupational health and safety for personnel involved in exploitation in the Area under review.
8. The Commission further decided to recommend to the Council the draft annex VI to the draft exploitation regulations, annexed to the present document.
9. The Council is invited to:
 - (a) Take note of the information concerning draft regulation 30 contained in paragraph 5 above;
 - (b) Consider the recommendations of the Commission set out in paragraphs 6 and 7 above;
 - (c) Consider the annex to the present note as part of the draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)).

Annex

Draft annex VI to the draft regulations for exploitation of mineral resources in the Area

A

Health and Safety Plan

1. The Health and Safety Plan prepared under these regulations and this annex must:

(a) Be prepared in accordance with Good Industry Practice, and relevant standards and guidelines;

(b) Comply with applicable national laws and regulations related to safety and health, including occupational safety and health, of personnel on vessels or installations engaged in activities in the Area, as well as applicable international rules and standards of the International Labour Organization and the International Maritime Organization related to safety and health, including occupational safety and health;

(c) Ensure that all personnel on a vessel or installation engaged in activities in the Area are provided with safety and health protection, including occupational safety and health protection, and live, work and train in a safe and hygienic environment;

(d) Identify hazards and risks and include a comprehensive and integrated system for the management of the hazards and risks;

(e) Ensure that the risks to the health and safety of personnel on a vessel or installation engaged in activities in the Area are reduced to a level that is as low as reasonably practicable;

(f) Address all matters of safety of life and the prevention of occupational accidents, injuries and diseases that may be identified as hazards and risks for personnel on vessels or installations engaged in activities in the Area;

(g) Include and refer to the requirements of the Emergency Response and Contingency Plan under annex V of these regulations that relate to protecting and securing the safety and health of all persons on vessels or installations during an incident or emergency;

(h) Be worded in plain language and, for submission as part of the application for approval of a plan of work, prepared in an official language of the Authority.

2. The Health and Safety Plan must contain, as a minimum:

(a) Requirements regarding minimum age and medical fitness for all personnel working and living on a vessel or installation;

(b) Requirements for the competency and training, including mandatory safety training, for all personnel working and living on a vessel or installation;

(c) A description of the measures taken to ensure that the vessel or installation is appropriately and sufficiently manned in order to ensure that the vessel or installation is operated safely, efficiently and with due regard to security under all conditions;

(d) Information about the number and positions of all personnel working or living and working on a vessel or installation;

(e) Details of shore-based management providing assistance to the vessel or installation, including the designated person with responsibility and authority for

monitoring the safety, health and security of operations and with direct access to the highest level of management;

(f) Definitions of levels of authority and effective lines of communication between and among shore staff and personnel on board vessels and installations;

(g) A description of the duties of the master and/or the person designated by the master to take responsibility for the implementation of and compliance with the occupational safety and health plan;

(h) A description of an effective fatigue management strategy determining operational workload requirements matching onboard manning levels and onshore support resources as well as work schedules indicating the maximum hours of work or minimum hours of rest for all personnel living and working on a vessel or installation;

(i) Information about the medical care available on the vessel or installation and the communication and response plans in the event that additional or onshore medical care is required;

(j) Arrangements and procedures for the safe transfer of personnel to and from or between vessels or installations;

(k) A description of all foreseeable occupational hazards, an assessment of their likelihood and consequences, and associated preventative and control measures;

(l) Details regarding procedures for hazard identification and risk assessment on vessels or installations and the preventive and protective measures adopted based on the outcomes of those procedures;

(m) Details of procedures, plans and instructions for key operations concerning the safety of the personnel, vessels and installations;

(n) A description of the equipment and tools to be provided to ensure that all operations are conducted in such a manner as to minimize any adverse effects on workers' occupational safety and health to the extent necessary;

(o) Identification of critical equipment and technical systems that may result in hazardous situations;

(p) A description of crew accommodations and recreational facilities enabling and promoting the personnel's health and well-being, and information on their conformity to relevant rules, regulations and standards;

(q) Details of procedures to ensure that the vessels or installations are maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements that may be established;

(r) Details of audit and review processes, and information on procedures for the implementation of corrective action, including measures intended to prevent recurrence;

(s) Information on procedures ensuring that non-conformities, accidents and hazardous situations are reported, investigated and analysed with the objective of improving safety and prevention;

(t) Details of the procedures for the communication of information between the company/owner/operator and competent authorities and organizations, including the Authority;

(u) Details of the warning mechanisms intended to alert the Authority, together with the type of information to be contained in the warning;

(v) Details regarding consultations with personnel on vessels or installations and, where appropriate, the representative workers' organizations, on the preparation and implementation of the vessel's or installation's occupational safety and health policies and programmes and the procedures to ensure the continuous improvement of the policies to take into account changes in practice and technology;

(w) The occupational safety and health policy and programme for each vessel or installation engaged in activities in the Area.

3. An occupational safety and health policy and programme for a vessel or installation engaged in activities in the Area must contain the following to ensure a safety culture on board the vessel or installation:

(a) An occupational health, safety and environmental awareness plan to inform all personnel engaged in activities in the Area as to the occupational and environmental risks that may result from their work and the manner in which such risks are to be dealt with;

(b) A plan for the communication of the occupational health, safety and environmental awareness plan;

(c) A training plan to establish a safety culture for occupational safety and health for the vessel or installation, including mandatory personal safety training and specific task and equipment training, including the labelling of safety-related equipment;

(d) The roles and responsibilities of:

(i) Masters, officers or other personnel responsible for safety and health, including occupational safety and health on a vessel or installation;

(ii) The vessel or installation safety committee;

(iii) The worker representative on the safety committee.

(e) Requirements, policies and training on the vessel or installation to address the following:

(i) Food and water safety;

(ii) Hygiene and sanitary facilities;

(iii) Measures to prevent disease and vermin;

(iv) Safety, and structural and design features of the vessel or installation, including means of access and asbestos-related risks;

(v) Provision of personal protective equipment for personnel;

(vi) Machinery;

(vii) Ambient factors in the workplace and living accommodation on the vessel or installation, including exposure to noise, vibration, lighting, ultraviolet light, non-ionizing radiation and extreme temperatures;

(viii) Air quality, ventilation and the effects of other ambient factors, including tobacco smoke;

(ix) Structural features of the vessels or installations and means of access, and materials;

(x) Special safety measures on and below deck on vessels and installations;

(xi) Loading and unloading of equipment;

(xii) Fire prevention and fire-fighting;

- (xiii) Anchors, chains and lines;
 - (xiv) Dangerous cargo and ballast;
 - (xv) Work in enclosed spaces;
 - (xvi) Exposure to biological hazards;
 - (xvii) Exposure to radiological hazards;
 - (xviii) Exposure to chemicals;
 - (xix) Ergonomic hazards;
 - (xx) Physical and mental effects of fatigue;
 - (xxi) Effects of drug and alcohol dependency;
 - (xxii) Communicable diseases;
 - (xxiii) HIV/AIDS protection and prevention;
 - (xxiv) Emergency and accident response;
 - (xxv) Harassment and bullying;
 - (xxvi) Safety and occupational safety and health training of younger workers and trainees on the vessel or installation;
 - (xxvii) Protection for lone and isolated workers;
 - (xxviii) Protection of women workers;
 - (xxix) Measures regarding the safety, and occupational safety and health, of any temporary workers.
4. The occupational safety and health policy and programme must also address:
- (a) Cyberrisks;
 - (b) Procedures for the investigation, reporting and follow-up to any safety or occupational safety and health incidents, including occupational diseases;
 - (c) Protection of the privacy of personal and medical data of personnel.

B
Maritime Security Plan

1. The Maritime Security Plan prepared under these regulations and this annex must:
- (a) Be prepared in accordance with Good Industry Practice and relevant standards and guidelines;
 - (b) Comply with applicable national laws and regulations related to maritime security, as well as applicable international rules and standards of the International Maritime Organization related to maritime security;
 - (c) Be developed based on a security assessment and risk analysis relating to all aspects of the vessel's or installation's operations in order to determine which of its parts are more vulnerable to maritime security incidents;
 - (d) Provide an effective plan to ensure the application of measures on board the vessel that are designed to protect the persons on board, the cargo, the cargo transport units, the ship's stores or the vessel from the risks of a security incident;
 - (e) Be protected from unauthorized access or disclosure;

(f) Be subject to inspection by officers duly appointed by the competent authority;

(g) Be worded in plain language and, for submission as part of an application for approval of a plan of work, prepared in an official language of the Authority.

2. The Maritime Security Plan must contain, as a minimum:

(a) Measures designed to prevent weapons, dangerous substances and devices that are intended for use against persons, vessels, installations or ports, and whose carriage is not authorized, from being taken on board the vessel or installation;

(b) An identification of the restricted areas, and measures for the prevention of unauthorized access to them;

(c) Measures for the prevention of unauthorized access to the vessel or installation;

(d) Procedures for responding to security threats or breaches of security, including provisions for maintaining critical operations of the vessel or installation, or vessel/port interface;

(e) Basic security measures for security level 1 (the level for which minimum appropriate protective security measures shall be maintained at all times), both operational and physical, that will always be in place;

(f) Additional security measures that will allow the vessel or installation to progress without delay to security level 2 (the level for which appropriate additional protective security measures shall be maintained for a period of time as a result of heightened risk of a security incident) and, when necessary, to security level 3 (the level for which further specific protective security measures shall be maintained for a limited period of time when a security incident is probable or imminent, although it may not be possible to identify the specific target);

(g) Procedures for evacuation in case of security threats or breaches of security;

(h) Duties of personnel on board vessels and installations who are assigned security responsibilities, and duties of other shipboard personnel relating to security aspects;

(i) Procedures for auditing the security activities;

(j) Procedures for training, drills and exercises associated with the plan;

(k) Procedures for interfacing with port facility security activities;

(l) Procedures for the periodic review of the plan and for its updating;

(m) Procedures for reporting security incidents;

(n) Identification of the vessel or installation security officer;

(o) Identification of the company security officer, including 24-hour contact details;

(p) Procedures to ensure the inspection, testing, calibration, and maintenance of any security equipment provided on board;

(q) Frequency of testing or calibration of any security equipment provided on board;

(r) Identification of the locations where the activation points of the vessel or installation security alert system are provided (when activated, a ship security alert system automatically transmits a ship-to-shore security alert to a competent authority,

identifying the ship, its location and indicating that the security of the ship is under threat or it has been compromised);

(s) Procedures, instructions and guidance regarding the use of the vessel or installation security alert system, including testing, activation, deactivation and resetting, and regarding the limitation of false alerts.

3. The Maritime Security Plan must establish that:

(a) All personnel on board vessels and installations have received security-related familiarization and security-awareness training or instruction;

(b) Personnel on board vessels and installations with designated security duties have attended a training course on those duties.



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Agenda item 10

**Consideration, with a view to approval, of applications
for a plan of work for exploration, if any**

Report and recommendations of the Legal and Technical Commission to the Council of the International Seabed Authority relating to an application for approval of a plan of work for exploration for polymetallic nodules by Blue Minerals Jamaica Ltd.

I. Introduction

1. On 4 June 2020, the Secretary-General of the International Seabed Authority received an application for the approval of a plan of work for exploration for polymetallic nodules in the Area. The application was submitted, pursuant to the regulations on prospecting and exploration for polymetallic nodules in the Area ([ISBA/19/C/17](#), annex, and [ISBA/19/A/12](#)), by Blue Minerals Jamaica Ltd.

2. On 5 June 2020, in accordance with regulation 20, paragraph 1 (c), the Secretary-General notified the members of the Authority of the receipt of the application and circulated information of a general nature concerning the application. On the same date, the Secretary-General also notified the members of the Legal and Technical Commission and placed consideration of the application on the agenda of the Commission for discussion during the second part of its twenty-sixth session, to be held online from 6 to 31 July 2020.

II. Methodology and consideration of the application by the Legal and Technical Commission

A. General methodology applied by the Commission in consideration of the application

3. In its consideration of the application, the Commission noted that, in keeping with the provisions of article 6 of annex III to the United Nations Convention on the Law of the Sea, and paragraph 3 of regulation 21, it was first required to make an objective determination as to whether the applicant had fulfilled the requirements



contained in the regulations, in particular with respect to the form of the application; whether the applicant had given the undertakings and assurances specified in regulation 14; possessed the financial and technical capabilities to carry out the proposed plan of work for exploration and had provided details as to its ability to comply promptly with emergency orders; and, as relevant, had satisfactorily discharged its obligations in relation to any previous contract with the Authority. The Commission was then required to determine, in accordance with regulation 21, paragraph 4, and its procedures, whether the proposed plan of work would provide for effective protection of human health and safety and effective protection and preservation of the marine environment, and ensure that installations would not be established where interference might be caused to the use of recognized sea lanes essential to international navigation or in areas of intense fishing activity. In its paragraph 5, regulation 21 also provides that, if the Commission makes the determinations specified in its paragraph 3, and determines that the proposed plan of work for exploration meets the requirements of its paragraph 4, the Commission shall recommend approval of the plan of work for exploration to the Council.

4. In considering the proposed plan of work for exploration for polymetallic nodules, the Commission took into account the principles, policies and objectives relating to activities in the Area, as provided for in part XI of annex III to the Convention and in the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

B. Consideration of the application

5. The Commission considered the application on 6, 7, 13, 14, 20, 21 and 23 July 2020.

6. Prior to commencing a detailed examination of the application, the Commission invited the applicant to make a presentation of the application on 7 July 2020. A representative of the sponsoring State also made a statement to the Commission in support of the application. Members of the Commission then asked questions to obtain clarification on certain aspects of the application. The Commission evaluated the legal, financial, geological, technological, environmental and training aspects of the application.

7. On 16 July 2020, the Commission sent a set of written questions to the applicant, which submitted written responses on 21 July. The Commission considered those responses on 21 July and further exchanged views on 23 July. It was satisfied with the written responses received and it evaluated the application in accordance with the procedure contained in document [ISBA/18/LTC/7/Rev.1](#).

III. Summary of basic information regarding the application

A. Identification of the applicant

8. Name of applicant: Blue Minerals Jamaica Ltd.

9. Address of the applicant:

- (a) Street address: 47–49 Trinidad Terrace, Kingston 5, Jamaica;
- (b) Postal address: same as above;
- (c) Telephone number: none;
- (d) Fax number: none.

10. Email address: info@blue-minerals.com.
11. Name of applicant's designated representative:
 - (a) Peter Henrik Jantzen;
 - (b) Street address: same as above;
 - (c) Postal address: same as above;
 - (d) Telephone number: +44 7748 965 680;
 - (e) Fax number: none;
 - (f) Email address: peter.jantzen@blue-minerals.com.
12. As a juridical person, the applicant's details are:
 - (a) Place of registration: Kingston, Jamaica;
 - (b) Principal place of business/domicile: 47–49 Trinidad Terrace, Kingston 5, Jamaica.

B. Sponsorship

13. The sponsoring State is Jamaica.
14. The date of deposit by Jamaica of its instrument of ratification of the Convention is 21 March 1983, and the date of the consent of Jamaica to be bound by the 1994 Agreement is 28 July 1995.

C. Area of application

15. The total application area covered is 74,916 km², comprising parts of reserved areas in the Clarion-Clipperton Fracture Zone contributed by UK Seabed Resources Ltd., the Government of the Republic of Korea and the Interoceanmetal Joint Organization. The area consists of four blocks (A, B, C and D).
16. The largest block, block A, is in the central part of the Clarion-Clipperton Fracture Zone, while the three smaller blocks are located in the eastern part.
17. Block A covers an area of 44,959 km²; block B, 16,858 km²; block C, 9,482 km²; and block D, 3,617 km² (see annexes I and II).
18. The application area is a part of the Area and lies beyond the limits of the national jurisdiction of any State.
19. The Commission notes that the area of the application does not overlap with existing contract areas.
20. The Commission also notes that the applicant will ensure that it will not establish any installations where interference may be caused to the use of recognized sea lanes essential to international navigation or in areas of intense fishing activity.

D. Other information

21. The applicant provided the written undertakings signed by its designated representative, in compliance with regulation 14.
22. The applicant paid a fee of \$500,000, in accordance with regulation 19, paragraph 1.

IV. Examination of information and technical data submitted by the applicant

23. The following technical documents and information were submitted by the applicant:

- (a) Information relating to the area under application:
 - (i) Charts of the location of the blocks;
 - (ii) A list of the coordinates of the corners of blocks under application, in accordance with the World Geodetic System 1984;
- (b) Information to enable the Council to determine whether the applicant is financially capable of carrying out the proposed plan of work for exploration;
- (c) Information to enable the Council to determine whether the applicant is technically capable of carrying out the proposed plan of work for exploration;
- (d) A description of the technology related to the recovery and processing of polymetallic nodules;
- (e) A plan of work for exploration;
- (f) Information relating to training;
- (g) Written undertakings by the applicant;
- (h) Oral and written responses to the questions raised by the Commission.

V. Consideration of financial and technical qualifications of the applicant

A. Financial capability

24. The Commission noted that the applicant, being a newly established entity, submitted a pro forma balance sheet certified by its designated representative, in accordance with regulation 12, paragraph 6.

B. Technical capability

25. The Commission noted that a shareholder and operational partner of the applicant was a multinational enterprise engaged for more than 35 years in carrying out challenging marine projects in the offshore oil and gas industry and currently engaged in the deep seabed mining sector.

1. General description of equipment and methods

26. The applicant provided information regarding the planned operation to carry out the proposed plan of work for exploration, as well as on the methods and instruments to be used for that purpose, including a detailed list of equipment to be used each year for the first five-year programme of activities. The applicant informed that it would use such equipment as:

- (a) A fully equipped vessel;
- (b) Multibeam echo sounding: the bathymetry and backscattered echo intensity are to be used to conduct regional bathymetric mapping;

(c) Sub-bottom profiler system: the acoustic data are to be used to study the thickness and physical characteristics of subsurface sediment;

(d) Deep-towed camera systems: high-resolution video system transmitting real-time imagery to be used to acquire data, such as coverage of polymetallic nodules and megafauna;

(e) Remotely operated vehicle: can be used to visualize the sea floor and to sample biota and nodules, but the payload is determined by the size of the robotic device;

(f) Autonomous underwater vehicle: can carry side-scan and multibeam sonar units, cameras and oceanographic sensors. The ability of such vehicles to cover large areas helps in correlating regional trends with localized oceanographic, geological and biological details;

(g) Box corers: to be used to collect samples of polymetallic nodules and surface sediments to study the type, abundance, coverage and main metal contents of polymetallic nodules, to analyse the type, geomechanical properties and chemical composition of sediments and to study macrofauna;

(h) Multicorers: for meiofauna and microfauna sampling and for detailed sediment geochemistry work;

(i) On-board laboratory facilities: for biological and geological processing, with specialized equipment and modern facilities optimized for dealing with polymetallic nodules and deep sea biology, and box-core samplers for efficient handling, documentation and preservation of the samples acquired;

(j) Moorings: the inter-annual environmental parameters, such as seawater temperature, salinity, bottom current velocity and direction, are to be obtained to establish environmental baselines and conduct environmental impact assessments and monitoring;

(k) Conductivity, temperature and depth rosettes: to be used to collect seawater samples at various depths and measure the parameters of temperature and salinity in order to establish environmental baselines and conduct environmental impact assessments and monitoring;

(l) Dredges: to be used to recover polymetallic nodule samples for metallurgical testing.

27. The applicant noted that some of the equipment is yet to be purchased or modified.

2. Financial and technical capabilities to respond to any incident or activity that causes serious harm to the marine environment

28. The applicant provided information related to its financial and technical capabilities to respond to any incident or activity that causes serious harm to the marine environment. In particular, it provided information on the following measures that it would take to prevent, reduce and control hazards to and possible impacts on the marine environment: (a) prevention measures for pollution from ships, including emergency response mechanism, shipboard control measures, ship oil spill management, marine pollution management and manuals for ship pollution prevention and control; and (b) measures for the prevention, reduction and control of other hazards at sea.

VI. Consideration of data and information submitted for approval of the plan of work for exploration

29. In accordance with regulation 18, the applicant submitted the following information, with a view to receiving approval of the plan of work for exploration:

(a) A general description and schedule of the proposed exploration programme, including the programme of activities for the immediate five-year period, such as studies to be undertaken in respect of the environmental, technical, economic and other appropriate factors that must be taken into account in exploration;

(b) A description of the programme for oceanographic and environmental baseline studies in accordance with the regulations and any environmental rules, regulations and procedures established by the Authority that would enable an assessment of the potential environmental impact, including, but not restricted to, the impact on biodiversity of the proposed exploration activities, taking into account the recommendations issued by the Commission ([ISBA/25/LTC/6/Rev.1](#) and [ISBA/25/LTC/6/Rev.1/Corr.1](#));

(c) A preliminary assessment of the possible impact of the proposed exploration activities on the marine environment;

(d) A description of proposed measures for the prevention, reduction and control of pollution and other hazards, as well as possible impacts, to the marine environment;

(e) Data necessary for the Council to make the determination required under regulation 12, paragraph 1;

(f) A schedule of expected yearly expenditure in respect of the programme of activities for the first five-year period.

30. In response to questions, the applicant informed the Commission that it would undertake a desktop environmental risk assessment as part of an environmental impact assessment scoping study to identify and rank the potential impacts of its activities at the beginning of the exploration phase. The applicant also agreed to take into greater account the extent of spatial and temporal variability of the environmental and faunal communities across the contract area when finalizing its detailed sampling programme.

VII. Training

31. The Commission noted the applicant's intention to submit a detailed training proposal prior to the commencement of exploration under the contract, in accordance with regulation 27 and section 8 of annex IV to the regulations, with berths made available to nationals of developing States during all cruises. In each of the five-year periods of its exploration programme, the applicant plans to offer up to 10 training opportunities and to contribute to the training activities of the Authority. The applicant indicated that the initial focus would be on at-sea training.

32. In addition, the applicant informed the Commission that it would collaborate with its sponsoring State to provide Jamaican nationals with the opportunity to gain knowledge and experience relevant to the seabed minerals industry.

VIII. Conclusion and recommendations

33. Having examined the particulars submitted by the applicant, as summarized in sections III to VII above, the Commission is satisfied that the application has been duly submitted in accordance with the regulations and that the applicant is a qualified applicant within the meaning of annex III, article 4, to the Convention and regulation 17.

34. The Commission is also satisfied that the applicant:

- (a) Has complied with the provisions of the regulations;
- (b) Has given the undertakings and assurances specified in regulation 14;
- (c) Possesses the financial and technical capabilities to carry out the proposed plan of work for exploration.

35. The Commission is further satisfied that none of the conditions in regulation 21, paragraph 6, apply.

36. The Commission is satisfied that the proposed plan of work for exploration will:

- (a) Provide for effective protection of human health and safety;
- (b) Provide for effective protection and preservation of the marine environment, including, but not restricted to, the impact on biodiversity;
- (c) Ensure that installations are not established where interference may be caused to the use of recognized sea lanes essential to international navigation or in areas of intense fishing activity.

37. Accordingly, pursuant to paragraph 5 of regulation 21, the Commission recommends to the Council approval of the plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd.

Annex I

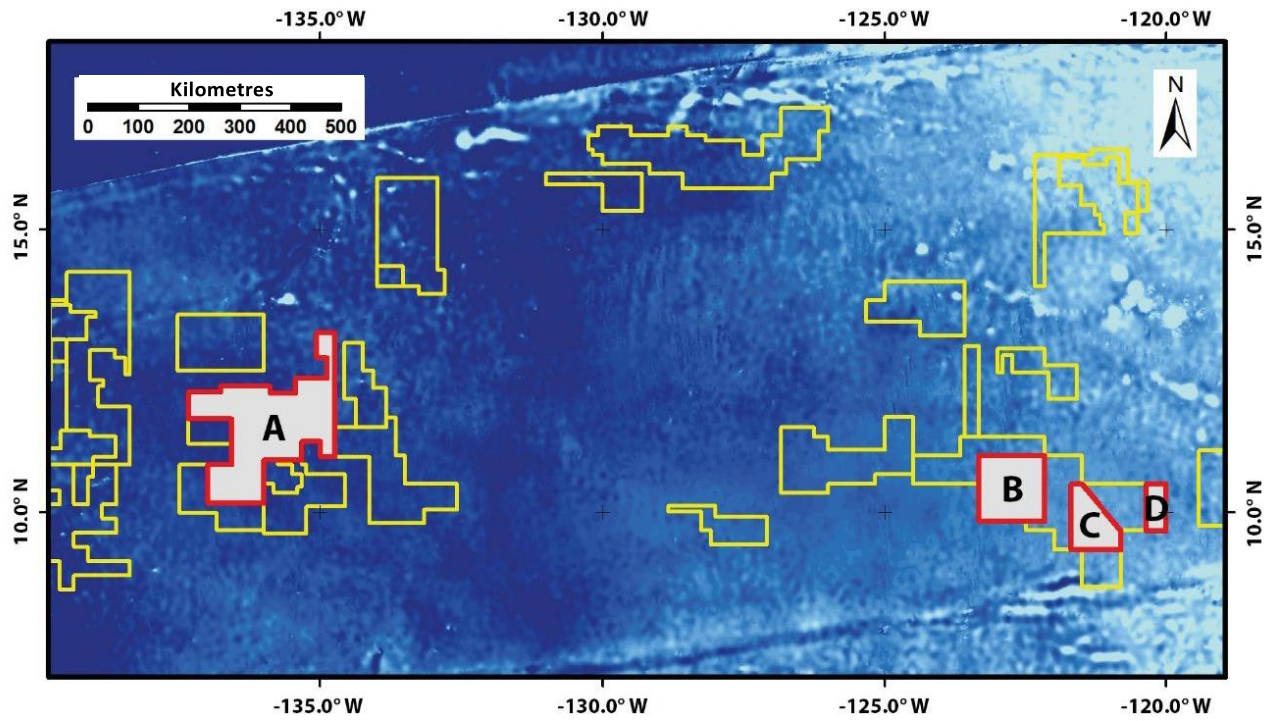
List of coordinates of the area under application

Block	Turning point	Format 2 (degree/minute/second format)							
		Format 1 (decimal degree format)		Latitude (N)			Longitude (W)		
		Latitude (N)	Longitude (W)	Degrees	Minutes.	Seconds	Degrees	Minutes	Seconds
A	1	13.1800	-135.0700	13	10	48.00	135	4	12.00
	2	13.1800	-134.7500	13	10	48.00	134	45	0.00
	3	10.9800	-134.7500	10	58	48.00	134	45	0.00
	4	10.9800	-135.0000	10	58	48.00	135	0	0.00
	5	11.2500	-135.0000	11	15	0.00	135	0	0.00
	6	11.2500	-135.3333	11	15	0.00	135	19	59.88
	7	10.9167	-135.3333	10	55	0.12	135	19	59.88
	8	10.9167	-136.0000	10	55	0.12	136	0	0.00
	9	10.1470	-136.0000	10	8	49.20	136	0	0.00
	10	10.1470	-137.0000	10	8	49.20	137	0	0.00
	11	10.8333	-137.0000	10	49	59.88	137	0	0.00
	12	10.8333	-136.5800	10	49	59.88	136	34	48.00
	13	11.6500	-136.5800	11	39	0.00	136	34	48.00
	14	11.6500	-137.3460	11	39	0.00	137	20	45.60
	15	12.1250	-137.3460	12	7	30.00	137	20	45.60
	16	12.1250	-136.7700	12	7	30.00	136	46	12.00
	17	12.2300	-136.7700	12	13	48.00	136	46	12.00
	18	12.2300	-135.8900	12	13	48.00	135	53	24.00
	19	12.1000	-135.8900	12	5	60.00	135	53	24.00
	20	12.1000	-135.4400	12	5	60.00	135	26	24.00
	21	12.3700	-135.4400	12	22	12.00	135	26	24.00
	22	12.3700	-134.8900	12	22	12.00	134	53	24.00
	23	12.7300	-134.8900	12	43	48.00	134	53	24.00
	24	12.7300	-135.0700	12	43	48.00	135	4	12.00
	25	13.1800	-135.0700	13	10	48.00	135	4	12.00
B	1	11.0000	-123.3330	11	0	0.00	123	19	58.80
	2	11.0000	-122.1670	11	0	0.00	122	10	1.20
	3	9.8333	-122.1670	9	49	59.88	122	10	1.20
	4	9.8333	-123.3330	9	49	59.88	123	19	58.80
	5	11.0000	-123.3330	11	0	0.00	123	19	58.80
C	1	10.5000	-121.7000	10	30	0.00	121	42	0.00
	2	10.5000	-121.5000	10	30	0.00	121	30	0.00
	3	9.6667	-120.7910	9	40	0.12	120	47	27.60
	4	9.3330	-120.7910	9	19	58.80	120	47	27.60
	5	9.3330	-121.7000	9	19	58.80	121	42	0.00
	6	10.5000	-121.7000	10	30	0.00	121	42	0.00

		<i>Format 2 (degree/minute/second format)</i>							
		<i>Format 1 (decimal degree format)</i>		<i>Latitude (N)</i>			<i>Longitude (W)</i>		
<i>Block</i>	<i>Turning point</i>	<i>Latitude (N)</i>	<i>Longitude (W)</i>	<i>Degrees</i>	<i>Minutes.</i>	<i>Seconds</i>	<i>Degrees</i>	<i>Minutes</i>	<i>Seconds</i>
D	1	10.5000	-120.3500	10	30	0.00	120	20	60.00
	2	10.5000	-120.0000	10	30	0.00	120	0	0.00
	3	9.6667	-120.0000	9	40	0.12	120	0	0.00
	4	9.6667	-120.3500	9	40	0.12	120	20	60.00
	5	10.5000	-120.3500	10	30	0.00	120	20	60.00

Annex II

Map of the general location of the area under application (blocks A, B, C and D) within reserved areas of the Clarion-Clipperton Fracture Zone





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Agenda item 20

Other Matters

Decision of the Council of the International Seabed Authority concerning the candidate for the election of the Secretary-General

The Council of the International Seabed Authority,

*Acting in accordance with article 162, paragraph 2 (b), of the United Nations
Convention on the Law of the Sea of 10 December 1982,*

*Proposes to the Assembly the following candidate for election as Secretary-
General:*

Michael W. **Lodge** (United Kingdom of Great Britain and Northern Ireland)

19 November 2020





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Agenda item 15

Budget of the International Seabed Authority

Decision of the Council of the International Seabed Authority relating to the budget of the Authority for the financial period 2021–2022

The Council of the International Seabed Authority,

Taking into account the recommendations contained in the report of the Finance Committee of the International Seabed Authority,¹

1. *Recommends* that the Assembly of the International Seabed Authority approve the budget of the Authority for the financial period 2021–2022 in the amount of \$19,411,280, as proposed and adjusted by the Secretary-General and taking into account the proposal by the President of the Council of the International Seabed Authority;²

2. *Also recommends* that the Assembly adopt the following draft decision:

The Assembly of the International Seabed Authority,

1. *Approves* the budget for the financial period 2021–2022 in the amount of \$19,411,280, as proposed and adjusted by the Secretary-General and taking into account the proposal by the President of the Council of the International Seabed Authority;²

2. *Authorizes* the Secretary-General to establish the scale of assessments for 2021 and 2022 on the basis of the scale used for the regular budget of the United Nations for the years 2019 to 2021, taking into account that the maximum assessment rate will be 22 per cent and the minimum rate 0.01 per cent;

* Reissued for technical reasons on 29 July 2021.

** Original dates. The meeting has been postponed sine die.

¹ [ISBA/26/A/10-ISBA/26/C/21](#).

² See [ISBA/26/A/5/Add.1/Rev.2-ISBA/26/C/18/Add.1/Rev.2](#).



3. *Also authorizes* the Secretary-General, for 2021 and 2022, to transfer between sections, subsections and programmes up to 20 per cent of the amount of each section, subsection or programme;

4. *Urges* the members of the Authority to pay as soon as possible their assessed contributions to the budget on time and in full;

5. *Notes with concern* the increasing amounts of outstanding contributions, appeals once more to the members of the Authority to pay outstanding contributions to the budget of the Authority from previous years as soon as possible, and requests the Secretary-General, at his discretion, to continue his efforts to recover those amounts;

6. *Urges* members and other possible donors to make voluntary contributions to the Endowment Fund for Marine Scientific Research in the Area and voluntary trust funds of the Authority;

7. *Expresses its deep concern* over the depleted balance of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee;

8. *Implements* remote simultaneous interpretation services for all meetings of the organs of the Authority as a provisional measure in connection with the coronavirus disease (COVID-19) pandemic and until the end of the financial period 2021–2022. The decision regarding the potential continuation of such practice is to be taken separately.



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Agenda item 10

Consideration, with a view to approval, of applications for a plan of work for exploration, if any

Decision of the Council of the International Seabed Authority relating to an application for approval of a plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd.

The Council of the International Seabed Authority,

Acting on the recommendation of the Legal and Technical Commission,

Noting that, on 4 June 2020, an application for approval of a plan of work for exploration for polymetallic nodules was submitted to the Secretary-General in accordance with the regulations on prospecting and exploration for polymetallic nodules in the Area¹ by Blue Minerals Jamaica Ltd., sponsored by Jamaica,

Recalling that, in accordance with paragraph 6 (a) of section 1 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,² the processing of an application for approval of a plan of work for exploration shall be in accordance with the provisions of the Convention,³ including annex III thereto, and the Agreement,

Recalling also that, pursuant to article 153, paragraph 3, of the Convention and paragraph 6 (b) of section 1 of the annex to the Agreement, the plan of work for exploration shall be in the form of a contract concluded between the Authority and the applicant,

Taking note of the advisory opinion of the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea of 1 February 2011,

1. *Takes note of the report and recommendations of the Legal and Technical Commission to the Council relating to an application for approval of a plan of work*

* Original dates. The meeting has been postponed sine die.

¹ ISBA/19/C/17, annex, and ISBA/19/A/12.

² General Assembly resolution 48/263, annex.

³ United Nations, *Treaty Series*, vol. 1833, No. 31363.



for exploration for polymetallic nodules by Blue Minerals Jamaica Ltd.,⁴ in particular paragraphs 33 to 37 thereof;

2. *Approves* the plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd.;

3. *Requests* that the Secretary-General of the Authority issue the plan of work for exploration for polymetallic nodules in the form of a contract between the Authority and Blue Minerals Jamaica Ltd. in accordance with the regulations.

10 December 2020

⁴ ISBA/26/C/22.



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Agenda item 14

Report of the Finance Committee

Decision of the Council of the International Seabed Authority relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts

The Council of the International Seabed Authority,

Taking into account the recommendations contained in the report of the Finance Committee of the International Seabed Authority,¹

1. *Decides* to increase the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts from \$60,000 to \$80,000, effective 1 January 2022;
2. *Requests* the Secretary-General to provide on a regular basis a detailed itemized report with respect to the use of the annual overhead charge;
3. *Requests* an independent audit of the methodology that is used to calculate the amount of overhead charges for the contractors for consideration in 2021;
4. *Requests* the Finance Committee to conduct an assessment on a regular basis of changes in costs covered from the annual overhead charge, including those associated with the implementation of the revised methodology;
5. In case of substantial increase of the amount of the annual overhead charge, *requests* the Secretary-General to ensure that detailed information is made available to Member States well in advance of the adoption of the budget providing an in-depth overview of the elements leading to such an increase.

11 March 2021

* Original dates. The meeting has been postponed sine die.

¹ [ISBA/26/A/10-ISBA/26/C/21](#).





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Kingston, 19–23 July 2021

Agenda item 6

Issues relating to the election in 2021 of members of the Legal and Technical Commission

Decision of the Council of the International Seabed Authority concerning the extension of the term of office of the current members of the Legal and Technical Commission and other related matters

The Council of the International Seabed Authority,

Considering the election of members of the Legal and Technical Commission as a matter of priority,

Recalling the procedures for the nomination of candidates for membership in the Legal and Technical Commission, which were established during the thirteenth session of the International Seabed Authority,¹

Recalling also its decision of 20 February 2020 relating to the election in 2021 of members of the Legal and Technical Commission,²

Taking into account the continuing situation concerning the coronavirus disease (COVID-19) pandemic,

Taking into account also that, in view of the impossibility of holding face-to-face meetings, it has not been possible to make further progress in the negotiations concerning the development of a process to govern the election of the membership of the Legal and Technical Commission,

Desiring to continue to pursue all efforts in 2021 to reach a consensus on the proposed process to govern the election of the membership of the Legal and Technical Commission,

1. *Recognizes* that further progress in the negotiations on the mechanism to govern the next elections of members of the Legal and Technical Commission could not be made owing to the COVID-19 pandemic;

¹ ISBA/13/C/6.

² ISBA/26/C/9.



2. *Invites* the facilitator to resume, at the next in-person meeting in 2021, his consultations on the composition of the Commission and to report thereon to the Council for consideration as a matter of priority, with a view to taking a decision at that meeting;

3. *Decides* that the terms of office of the current members of the Legal and Technical Commission shall be extended by one year, such that they will expire on 31 December 2022;

4. *Stresses* that the decision to extend the terms of office of the current members of the Legal and Technical Commission is being made on an exceptional basis, owing to the unprecedented circumstances arising as a result of the COVID-19 pandemic, and that this decision is without prejudice to article 163 of the United Nations Convention on the Law of the Sea³ and does not constitute a precedent, either for the Commission or for other organs of the International Seabed Authority with elected members;

5. *Also stresses* the need to address the issue of the election of the membership of the Commission for the period 2023–2027 as a matter of priority at its meetings in July 2022;

6. *Urges* States to strictly adhere, in 2022, to the procedures for the nomination of candidates for membership in the Legal and Technical Commission, as set out in document [ISBA/13/C/6](#).

30 March 2021

³ United Nations, *Treaty Series*, vol. 1833, No. 31363.



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Kingston, 19–23 July 2021*

Agenda item 10bis

**Consideration, with a view to approval, of applications
for extensions of contracts for exploration**

Application for extension of the contract for exploration for polymetallic nodules between Interoceanmetal Joint Organization and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 29 March 2001, Interoceanmetal Joint Organization entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 28 March 2021,¹

Noting that, on 18 September 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from Interoceanmetal Joint Organization, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 30 September 2020, the Secretary-General notified the sponsoring States and members of the Authority and members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/21](#).



Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by Interoceanmetal Joint Organization during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between Interoceanmetal Joint Organization and the Authority for a period of five years from 29 March 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and Interoceanmetal Joint Organization concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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Agenda item 10bis

**Consideration, with a view to approval, of applications
for extensions of contracts for exploration**

Application for extension of the contract for exploration for polymetallic nodules between JSC Yuzhmorgeologiya and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 29 March 2001, JSC Yuzhmorgeologiya entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 28 March 2021,¹

Noting that, on 28 September 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from JSC Yuzhmorgeologiya, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 7 October 2020, the Secretary-General notified the sponsoring State and members of the Authority and members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/22](#).



Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by JSC Yuzhmorgeologiya during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between JSC Yuzhmorgeologiya and the Authority for a period of five years from 29 March 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and JSC Yuzhmorgeologiya concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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**Consideration, with a view to approval, of applications
for extensions of contracts for exploration**

Application for extension of the contract for exploration for polymetallic nodules between the Government of the Republic of Korea and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 27 April 2001, the Government of the Republic of Korea entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 26 April 2021,¹

Noting that, on 26 October 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from the Government of the Republic of Korea, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 30 October 2020, the Secretary-General notified the members of the Authority and members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/23](#).



Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by the Government of the Republic of Korea during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between the Government of the Republic of Korea and the Authority for a period of five years from 27 April 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and the Government of the Republic of Korea concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Application for extension of the contract for exploration for polymetallic nodules between Deep Ocean Resources Development Co. Ltd. and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 20 June 2001, Deep Ocean Resources Development Co. Ltd. entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 19 June 2021,¹

Noting that, on 3 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from Deep Ocean Resources Development Co. Ltd, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 7 December 2020, the Secretary-General notified the sponsoring State and members of the Authority and, on 8 December 2020, the members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/25](#).



Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by Deep Ocean Resources Development Co. Ltd. during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between Deep Ocean Resources Development Co. Ltd. and the Authority for a period of five years from 20 June 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and Deep Ocean Resources Development Co. Ltd concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Application for extension of the contract for exploration for polymetallic nodules between China Ocean Mineral Resources Research and Development Association and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 22 May 2001, the China Ocean Mineral Resources Research and Development Association entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 21 May 2021,¹

Noting that, on 8 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from the China Ocean Mineral Resources Research and Development Association, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 10 December 2020, the Secretary-General notified the sponsoring State, the members of the Authority and the members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/24](#).



Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by the China Ocean Mineral Resources Research and Development Association during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between the China Ocean Mineral Resources Research and Development Association and the Authority for a period of five years from 22 May 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and China Ocean Mineral Resources Research and Development Association concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Application for extension of the contract for exploration for polymetallic nodules between the Institut français de recherche pour l'exploitation de la mer and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 20 June 2001, the Institut français de recherche pour l'exploitation de la mer entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Recalling also that the contract was extended for a period of five years to 19 June 2021,¹

Noting that, on 17 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from the Institut français de recherche pour l'exploitation de la mer, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 22 January 2021, the Secretary-General notified the sponsoring State, members of the Authority and members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/22/C/26](#).



Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,²

Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the preparatory work necessary for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by the Institut français de recherche pour l'exploitation de la mer during its meetings held virtually from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having requested the applicant to provide further data and information to supplement its application, and noting that such data and information were duly supplied to the satisfaction of the Commission,

Having considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the said contract but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between the Institut français de recherche pour l'exploitation de la mer and the Authority for a period of five years from 20 June 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is adjusted to take into account the issues raised in the questions asked by the Legal and Technical Commission, the responses given by the applicant and some further issues raised during the deliberations of the Commission before the programme of activities is attached as annex I to the agreement to be drawn up between the Authority and the Institut français de recherche pour l'exploitation de la mer concerning the extension for polymetallic nodules of the contract for exploration, in accordance with appendix II to the decision of the Council.²

² ISBA/21/C/19.



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Application for extension of the contract for exploration for polymetallic nodules between the Federal Institute for Geosciences and Natural Resources and the International Seabed Authority

Report and recommendation of the Legal and Technical Commission

The Legal and Technical Commission,

Recalling that, on 29 July 2006, the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany entered into a 15-year contract for exploration for polymetallic nodules with the International Seabed Authority,

Noting that, on 29 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of that contract from the Federal Institute for Geosciences and Natural Resources, pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,

Noting also that, on 22 January 2021, the Secretary-General notified the sponsoring State, on 21 January 2021, the members of the Authority and on 15 January 2021, the members of the Legal and Technical Commission, of the receipt of the application and placed consideration of the application on the agenda of the Commission for the twenty-sixth session of the Authority,

Recalling the provisions of section 1, paragraph 9, of the annex to the Agreement,

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement,¹

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/21/C/19](#).



Recalling further that the Commission is required to consider applications expeditiously and in the order in which they are received,

Recalling that the Commission shall recommend approval of the application for extension of the contract for exploration if it considers that the contractor has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond the contractor's control, has been unable to complete the necessary preparatory work for proceeding to the exploitation stage, or if the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Conscious of the effects that the extraordinary circumstances of the coronavirus disease (COVID-19) pandemic have had on activities during the past year,

Having considered the application by the Federal Institute for Geosciences and Natural Resources during its meetings held from 12 to 15 April 2021 and from 26 to 29 April 2021, in accordance with the procedures and criteria,

Having also considered the grounds advanced by the applicant for requesting an extension of its contract and the information provided to establish that, for reasons beyond its control, it was unable to complete the preparatory work to proceed to the exploitation stage and that the prevailing economic circumstances do not justify proceeding to the exploitation stage,

Having concluded that the applicant has made efforts in good faith to comply with the requirements of the contract for exploration but, for reasons beyond its control, has been unable to complete the preparatory work to proceed to exploitation,

1. *Recommends* that the Council of the International Seabed Authority approve the application for extension of the contract for exploration for polymetallic nodules between the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany and the Authority for a period of five years from 29 July 2021;

2. *Requests* the Secretary-General of the International Seabed Authority to take the steps necessary to ensure that the proposed programme of activities for the extension period contained in the application is attached as annex I to the agreement to be drawn up between the Authority and the Federal Institute for Geosciences and Natural Resources concerning the extension of the contract for exploration for polymetallic nodules, in accordance with appendix II to the decision of the Council.¹



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Agenda item 12

Draft regulations for exploitation of mineral resources in the Area

Letter dated 30 June 2021 from the President of the Council of the International Seabed Authority addressed to the members of the Council

In my capacity as President of the Council of the International Seabed Authority, I am transmitting herewith a note verbale dated 25 June 2021 from the Permanent Mission of the Republic of Nauru addressed to the Secretary-General of the International Seabed Authority (see annex I), attached to which is a letter dated 25 June 2021 from the President of the Republic of Nauru, Lionel Rouwen Aingimea MP, addressed to me; and a note verbale dated 30 June 2021 from the Permanent Mission addressed to the Secretary-General of the Authority (see annex II).

(Signed) Rear Admiral (Retd.) Md. Khurshed Alam
President of the Council of the International Seabed Authority

* New dates of the in-person meetings originally scheduled for July 2020.



Annex I

Note verbale dated 25 June 2021 from the Permanent Mission of Nauru to the International Seabed Authority addressed to the Secretary-General of the Authority

The Permanent Mission of the Republic of Nauru to the International Seabed Authority has the honour to transmit herewith the letter dated 25 June 2021 from the President of the Republic of Nauru, Lionel Rouwen Aingimea MP, addressed to President of the Council of the International Seabed Authority (see enclosure).

The Permanent Mission of Nauru has the further honour to request that the present note verbale and the letter be brought to the attention of the President of the Council of the Authority at its twenty-sixth session.

Enclosure

Letter dated 25 June 2021 from the President of the Republic of Nauru addressed to the President of the Council of the International Seabed Authority

I trust that the present letter finds you well during unprecedented times as I write to you in your capacity as the President of the Council of the twenty-sixth session of the International Seabed Authority on behalf of the Government of the Republic of Nauru. By the present letter, I hereby provide notification that Nauru Ocean Resources Inc. (NORI), a Nauruan entity, sponsored by Nauru, intends to apply for approval of a plan of work for exploitation. Accordingly, pursuant to section 1, paragraph 15, of the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, Nauru requests the Council to complete the adoption of rules, regulations, and procedures necessary to facilitate the approval of plans of work for exploitation in the Area within two years of the operative date of this request, which is Wednesday, 30 June 2021.

Nauru recognizes the United Nations Convention on the Law of the Sea as the overarching treaty governing access and use of the ocean and its resources and became a party to it on 23 January 1996. Since then, Nauru has enjoyed the benefits of having a large exclusive economic zone and has exercised its sovereign rights over the resources contained therein, such as the highly migratory tuna stocks that we are successfully managing at sustainable levels under the parties to the Nauru Agreement with several of our neighbours. It is our deep connection with the ocean and our stewardship over the stocks and the large ocean spaces we have that have made this regional cooperation successful and a world recognized example of best management practices of ocean living resources. We are strongly committed to the rule of law in ocean affairs and to the effective implementation of the Convention. Nauru is also actively engaged in the development of an international legally binding instrument under the Convention on the conservation and sustainable use of biological diversity of areas beyond national jurisdiction, which we hope will come to a successful completion in 2022.

A member of the Authority for 25 years, Nauru was the first developing State and the first small island developing State to sponsor an application for approval of a plan of work for exploration in a reserved area of the Clarion Clipperton Zone. The sponsorship of NORI was the main medium through which we, as a sovereign State, were able to realize the vision embedded in the Convention and on the basis of which the Area and the resources it contains would be accessible to developing States, including small island developing States. We are proud of the role we have steadily played in helping to break the historical pattern of large and developed countries benefiting mainly from the use of natural resources, while those of us lacking the resources and technology are being left behind. Our determination to exercise the rights recognized to us under the Convention and to abide by international law requirements are a testament of our leadership role in this matter, and I trust that we will soon be able to reach a critical milestone where all can benefit from the opportunities available.

The depth and breadth of our commitment is reflected in the consistent approach taken by Nauru since we became a member of the Authority. First, through our ongoing contribution to the development of the regulatory framework needed to organize and regulate deep-sea related activities carried out in the Area. Second, through the request for an advisory opinion from the Seabed Disputed Chamber of the International Tribunal for the Law of the Sea in 2011 on the role and responsibilities of sponsoring States. The 2011 opinion has significantly contributed

to furthering the understanding of the international legal framework under which all current and future sponsoring States can operate in compliance with international law. It has also led to the development of Nauru's national legislation, International Seabed Minerals Act, adopted in 2015. The establishment of a National Seabed Minerals Authority under this Act enables Nauru to exercise its effective control over the activities undertaken by our sponsored contractor, NORI. These developments have been made progressively by ensuring dialogue and the engagement of stakeholders, including through community awareness programmes and deep-sea literacy sessions on polymetallic nodules, the role of the Government of Nauru, the Authority and the Contractor in deep-sea activities. A lot has been done but more needs to be done to ensure that we can strengthen our national capacity and fulfil our legitimate sovereign rights to sponsor activities in the Area.

On the development of the draft exploitation code, we note that it has been more than seven years of transparent, inclusive discussions by the international community facilitated and ably led by the Authority, and in light of the most recent progress, we are of the view that the draft exploitation code is nearly complete. It is already a remarkable achievement which testifies to the ongoing efforts of the international community over the last decades to ensure that, for the first time in history, a global regulatory regime prioritizing the protection of the environment through the inclusion of strong legal safeguards and requirements is adopted before an industry proceeds.

With the process nearly complete, the challenges we continue to face as a consequence of the coronavirus disease (COVID-19) pandemic, coupled with the urgency of the climate crisis, we are compelled by the impetus to build forward better by ensuring that polymetallic nodules are part of the solution to the global transition required to secure a clean renewable energy future and towards the creation of a circular economy.

As outlined in the special report of the Intergovernmental Panel on Climate Change, *Global Warming of 1.5°C*, humans can emit no more than 420 gigatonnes (billion metric tons) of carbon dioxide into the atmosphere by 2050 to retain any hope of limiting global warming to 1.5°C. Avoiding the worst impacts of climate change will require reducing emissions by at least 45 per cent by 2030 and reaching net-zero emissions by the midpoint of this century. This is a global imperative, and Nauru supports the efforts of large economies like the United States and the European Union to massively overhaul and decarbonize their energy and transportation systems.

For Pacific island countries like Nauru, climate change poses an existential threat to the well-being, livelihoods and security of our people. Our single island is already heavily impacted by rising seas, and we experience more frequent drought periods in a year; despite our negligible contribution to global carbon emissions, we stand to lose the most. Additionally, our land has been devastated from years of land mining, most of which was done by colonial powers without due consideration for the long-term impacts on our land and its people. As a result, over 80 per cent of our already small island is uninhabitable.

Nauru has experienced careless resource extraction first-hand and the burgeoning adverse impacts of climate change such as sea level rise, saltwater intrusion and drought periods, to name a few. These implications give Nauru a unique insight into the future of our world if mining on land continues to meet the exponential growth in demand for the base metals that will underpin our transition to a renewable energy future and circular economy. We strongly believe that moving to a responsible collection of polymetallic nodules from the seafloor will help to deliver us to a carbon neutral future.

Nauru is committed to working diligently with the Authority, its members and all stakeholders to finalize, negotiate and adopt a world class regulatory regime that allows for the responsible collection of polymetallic nodules while ensuring the protection of the environment. At the same time, Nauru wishes to underline the urgency of concluding this work in order to provide the legal certainty required for this industry to move forward as well as meet the legitimate aspirations of Nauru and other developing States and ensure that the vision of the Convention is realized and fully implemented.

As people of the ocean, our lives are inextricably linked and connected to the Pacific Ocean. It has shaped who we are and, committed as we are to the responsible stewardship of these sacred waters, to where we are headed.

I respectfully request that the present letter be issued as a document of the Council for the twenty-sixth session and be made available in all official languages of the Authority.

(Signed) Lionel Aingimea MP
President of the Republic of Nauru
Minister of Foreign Affairs and Trade

Annex II

Note verbale dated 30 June 2021 from the Permanent Mission of Nauru to the International Seabed Authority addressed to the Secretary-General of the Authority

The Permanent Mission of the Republic of Nauru to the International Seabed Authority has the honour to refer to the note verbale dated 25 June and its accompanying letter addressed to the President of the Council.

The Permanent Mission of Nauru, after consultations with the members of the Authority, had made the decision to defer the effective date of the notification to 9 July 2021, rather than 30 June as originally communicated. The Permanent Mission further requests the Secretary-General of the Authority to so inform the President of the Council of the twenty-sixth session.



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Agenda item 13

Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

Review of the implementation of the Environmental Management Plan for the Clarion-Clipperton Zone

Report and recommendations of the Legal and Technical Commission

I. Introduction

1. The present report provides a review of the overall progress in implementing different elements of the environmental management plan for the Clarion-Clipperton Zone, including the effectiveness of the network of areas of particular environmental interest. The report builds on a previous review of the progress made in implementing the environmental management plan for the Clarion-Clipperton Zone by 2016 and further actions to be taken until 2021 ([ISBA/22/LTC/12](#)). The report presents further actions to be undertaken after the present review to advance the implementation of the environmental management plan, including the proposed establishment of four additional areas of particular environmental interest to improve the effectiveness of the network of areas of particular environmental interest.

2. The environmental management plan for the Clarion-Clipperton Zone sets out the vision, goals and strategic aims for environmental management in the Clarion-Clipperton Zone, which include, inter alia, adopting a holistic approach to facilitate exploitation of seabed mineral resources in an environmentally responsible manner, maintaining regional biodiversity as well as ecosystem structure and function across the Clarion-Clipperton Zone, and enabling the preservation of representative and unique marine ecosystems. The goals of the environmental management plan for the Clarion-Clipperton Zone include facilitating cooperative research for a better understanding of environmental conditions within the Clarion-Clipperton Zone to inform the adoption of future rules, regulations and procedures.

3. The vision, goals and strategic aims were subsequently reflected in, and implemented within the context of, the strategic plan of the International Seabed Authority for the period 2019–2023 ([ISBA/24/A/10](#)), the high-level action plan of the Authority for the period 2019–2023 ([ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#)) and

* New dates of the in-person meetings originally scheduled for July 2020.



the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable Development (ISBA/26/A/4), which were adopted by the Assembly in 2018, 2019 and 2020, respectively.

4. Specifically, strategic direction 3.2 of the strategic plan and its corresponding high-level actions on the development, implementation and review of regional environmental management plans are also directly relevant to the implementation and current review of the environmental management plan for the Clarion-Clipperton Zone. Strategic direction 3.3 highlights the commitment of the Authority to facilitating public access to environmental information.

5. In line with strategic direction 4.1 of the strategic plan and its corresponding high-level actions, efforts are to be invested in promoting and encouraging the conduct of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental effects of activities in the Area. Such efforts would contribute to a better understanding of potential environmental impacts that may arise from activities in the Area and support science-informed development, implementation and review of rules, regulations and procedures designed to ensure effective protection of the marine environment in the Clarion-Clipperton Zone.

6. In alignment with the aforementioned strategic directions and corresponding high-level actions, the Action Plan of the International Seabed Authority in support of the United Nations Decade of Ocean Science for Sustainable Development identified six strategic research priorities, which have relevance to the implementation of the environmental management plan for the Clarion-Clipperton Zone. The expected short- and long-term outputs of the Action Plan will contribute to, inter alia, advancing scientific knowledge and enhancing the assessment of biodiversity and ecosystem functions in the Clarion-Clipperton Zone; improving the understanding of potential harmful effects; promoting the development of environment-friendly technologies for activities in the Area, as well as technological innovations for ocean observation and monitoring; and promoting dissemination, exchange and sharing of scientific data and research outputs.

II. Review of the implementation of the environmental management plan for the Clarion-Clipperton Zone

A. Review process

7. The environmental management plan for the Clarion-Clipperton Zone, which is flexible and dynamic in nature, was conceived with the aim of enabling a periodic review of its implementation. Under paragraph 42 of the plan, the Commission is responsible for keeping the areas of particular environmental interest under review and determining their suitability or need for adjustment, particularly as this relates to the number of areas of particular environmental interest and their size and location.

8. Under paragraph 46 of the environmental management plan, it was determined that the plan would be subject to a periodic external review by the Commission every two to five years, as required, and updated at least two years in advance of the end of the plan in 2016.

9. In July 2016, the Commission considered a report prepared by the secretariat (ISBA/22/LTC/12), which referred to the progress made in the implementation of the environmental management plan for the Clarion-Clipperton Zone during 2012–2016 and detailed the further progress expected by 2021, in time for the next review. The report also included the suggestion, based on data collected by contractors, that two

additional areas of particular environmental interest be created to fill spatial gaps in the network of areas of particular environmental interest (para. 19). In its deliberations, the Commission decided to convene a technical workshop to assess the suitability or need for amendment of the areas so as to enable the Commission to be better informed when making a recommendation to the Council of the International Seabed Authority in that regard.

10. At the twenty-second session in July 2016, the Council requested that the workshop to review progress on the implementation of the environmental management plan for the Clarion-Clipperton Zone be convened before the twenty-third session in 2017.

11. In line with this request, the Commission decided to establish a dedicated working group. The working group expressed the view that the current environmental management plan for the Clarion-Clipperton Zone contained two types of area-based planning measures, namely, areas of particular environmental interest outside contract areas, and impact reference zones and preservation reference zones within each contract area. Accordingly, the working group suggested the convening of two separate workshops, one related to areas of particular environmental interest and the other related to the design and implementation criteria for reference zones. The working group considered it important to follow the same scientific approach as outlined in paragraphs 26 to 29 of the environmental management plan for the Clarion-Clipperton Zone, in its assessment of additional areas of particular environmental interest. Since new data were expected from sampling in areas of particular environmental interest by contractors and international scientific programmes, the working group suggested deferring the workshop on areas of particular environmental interest until those new data were available in 2018.

12. During its twenty-fourth session in 2018, the Council took note of the Authority's strategy for the development of regional environmental management plans, as well as the challenges associated with compiling available data and identifying scientific gaps (ISBA/24/C/8, para. 9).

13. Subsequently, during the first part of the twenty-fifth session, the Council considered a programme of work for the implementation of the Authority's strategy for the development of regional environmental management plans for the Area for the period 2019–2020 (ISBA/25/C/13). In line with this programme of work as well as the Assembly's new budgetary programme on regional environmental management plans, an expert workshop was organized to support the review of the environmental management plan for the Clarion-Clipperton Zone in October 2019.

14. Accordingly, in October 2019, an expert workshop on deep Clarion-Clipperton Zone biodiversity synthesis was organized by the Authority, in collaboration with the Deep Clarion-Clipperton Zone Project of the University of Hawaii, in Friday Harbor, United States of America. Its main objectives were (a) to review and analyse recent sea-floor ecosystem data from the Clarion-Clipperton Zone; (b) to synthesize patterns of biodiversity, biogeography, genetic connectivity, ecosystem function and habitat heterogeneity along and across the Clarion-Clipperton Zone; and (c) to assess the representativeness of the existing network of areas of particular environmental interest in relation to contract areas.¹

15. In February 2020, the Commission was briefed on the outcomes of the Deep Clarion-Clipperton Zone biodiversity synthesis workshop, as summarized in a note by the secretariat (ISBA/26/LTC/2, sect. II). The Commission also held a half-day informal workshop, which included presentations of key results derived from the

¹ The report of the workshop on deep CCZ biodiversity synthesis is available at https://isa.org.jm/files/files/documents/deep_ccz_biodiversity_synthesis_workshop_report_-_final.pdf.

Deep Clarion-Clipperton Zone biodiversity synthesis workshop. Building on these discussions, the Commission acknowledged the need for additional areas of particular environmental interest in the Clarion-Clipperton Zone to improve representativity and address spatial gaps in the existing network of areas of particular environmental interest.

16. At its meetings in July 2020, the Commission continued to make further progress with respect to the review of the implementation of the environmental management plan for the Clarion-Clipperton Zone and, in particular, with respect to the work of the working group of the Legal and Technical Commission encompassing the background and rationale for the establishment of additional areas of particular environmental interest. The Commission decided to continue its work intersessionally, with a view to advancing the preparation of recommendations for consideration by the Council.

B. Review of the implementation of operational aspects of the environmental management plan for the Clarion-Clipperton Zone

17. The review of progress made in the implementation of operational aspects of the environmental management plan for the Clarion-Clipperton Zone, as outlined in sections VI–X of the plan, is summarized in table 1 below. The table includes information on the implementation of actions identified during the last review, held in 2016 ([ISBA/22/LTC/12](#), para. 13).

18. Significant progress has been made in achieving the objectives of the environmental management plan for the Clarion-Clipperton Zone, including through, inter alia, the establishment and review of the network of areas of particular environmental interest, the launch of the International Seabed Authority database DeepData as a central repository of environmental data collected by contractors, the convening of taxonomic standardization workshops and the convening of an expert workshop to support formulation of guidance on the design of impact reference zones and preservation reference zones.

19. It should be noted that the environmental management plan for the Clarion-Clipperton Zone is underpinned by a long-term perspective, and some objectives and priority actions can be implemented as contractors make further progress in their exploration activities and development of environmental management systems, in particular through the transition towards exploitation activities. Accordingly, suggestions on further actions to advance the implementation of the current environmental management plan after the review are also summarized in table 1.

III. Proposed updates to the environmental management plan for the Clarion-Clipperton Zone, in particular with regard to the effectiveness of the network of areas of particular environmental interest

20. A proposal for the establishment of four additional areas of particular environmental interest has been put forward, drawing on the results of the Deep Clarion-Clipperton Zone workshop (as referred to in para. 15 above) and on the intersessional work of the working group of the Commission (see figure III of the annex to the present report). The scientific rationale for selecting the additional areas of particular environmental interest is presented in the annex and examined briefly below. The selection takes into consideration the internationally accepted criteria for

assessing networks of marine protected areas² (e.g., representativeness, replication and connectivity).

21. The collation and analysis of available data conducted through the Deep Clarion-Clipperton Zone workshop supported the original design of the network of areas of particular environmental interest, by confirming that the main environmental drivers of biodiversity patterns across the Clarion-Clipperton Zone that were used were appropriate. While biodiversity data available at the workshop were not adequate by themselves to assess the representativity of the network of areas of particular environmental interest, the distribution of key environmental variables could be used to meet the workshop's objectives.

22. A habitat classification analysis was undertaken to identify habitat classes reflecting different combinations of particulate organic carbon fluxes, topography and nodule abundance. This analysis was considered to provide the best summary of available scientific information on the spatial distribution of habitats and biodiversity.

23. The analysis identified 24 habitat classes: 10 are common in areas of particular environmental interest, 6 are underrepresented in areas of particular environmental interest but common in contract/reserved areas and 4 are absent from areas of particular environmental interest. In addition, six habitat classes are not represented or are represented in only one area of particular environmental interest, signifying that replication is limited in the current network. An overview of the geographical distribution and environmental characteristics of the habitat classes is presented in the annex.

24. The results derived from the Deep Clarion-Clipperton Zone workshop showed that connectivity varies between taxa, with a gradient of dispersal and species distributions with distance. The results supported both the current recommended size of areas of particular environmental interest for the hosting of sustainable populations and the need to consider the distance between neighbouring areas of particular environmental interest with a view to improving connectivity between them.

25. The selection of the additional areas of particular environmental interest would allow underrepresented and/or rare habitat classes, primarily in nodule-rich habitats, to be protected in one or multiple areas of particular environmental interest (see annex). Careful placement of additional areas of particular environmental interest would also reduce spatial gaps between neighbouring areas of particular environmental interest, leading to an improved connected network.

26. Thus, the scientific rationale behind the proposed establishment of four additional areas of particular environmental interest lies in the recognition of a need for improvement in representativity, replication and connectivity, which will strengthen the effectiveness of the network of areas of particular environmental interest in the Clarion-Clipperton Zone.

IV. Recommendations

27. In the light of the progress reported in implementing the environmental management plan for the Clarion-Clipperton Zone, including further actions to advance implementation within the context of the current environmental management

² See annex II, entitled "Scientific guidance for selecting areas to establish a representative network of marine protected areas, including in open ocean waters and deep-sea habitats", to decision IX/20, entitled "Marine and coastal biodiversity", adopted by the Conference of the Parties to the Convention on Biological Diversity at its ninth meeting, held in Bonn from 19 to 30 May 2008 (UNEP/CBD/COP/9/29, annex I).

plan for the Clarion-Clipperton Zone, as identified in table 1 of the present report, the Commission:

(a) Recommends that the Council take note of the review of the environmental management plan for the Clarion-Clipperton Zone and approve the addition of four areas of particular environmental interest, as described in the annex to the present report, in order to enhance the effectiveness of the network of areas of particular environmental interest;

(b) Requests the secretariat to continue to facilitate the implementation of the environmental management plan for the Clarion-Clipperton Zone, focusing in particular on the further actions identified in table 1.

Table 1
Summary of the review of progress in the implementation of the operational aspects of the environmental management plan for the Clarion-Clipperton Zone

<i>Index</i>	<i>Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone</i>		<i>Status of implementation</i>	<i>Further actions</i>
Operational objectives: entire Clarion-Clipperton Zone (ISBA/17/LTC/7, sect. VI, para. 37)				
O1	Establish periodically updated environmental baseline data for the region	Implemented	<p>International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics, submitted by contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData</p> <p>(Through the action indicated directly above, a further action identified during the last review as described in ISBA/22/LTC/12, para. 13, was implemented)</p>	<p>Continuous efforts related to data analysis and synthesis are required to identify any gaps in the environmental baseline data in support of undertaking environmental impact assessments and to address them through sampling programmes. Ensuring consistency of data entered in and populating the database with historical data (pre-2016) can improve the utility of DeepData</p>
O2	Undertake cumulative environmental impact assessments as necessary based on exploitation proposals	Not yet applicable	<p>There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone</p>	<p>Undertake an expert workshop or workshops and/or studies to assess cumulative environmental impact assessments in the Clarion-Clipperton Zone, including qualitative modelling approaches, building on experience from those undertaken as part of regional environmental management plan workshops for the northern Mid-Atlantic Ridge and Pacific Northwest regions</p> <p>(Through the action indicated directly above, a further action identified during the last review</p>

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
O3	Consider the environmental risks to the Clarion-Clipperton Zone posed by technological developments in mining technologies	Not yet applicable	Most contractors are still engaged in the early stages of technological development for mining operations	and described in ISBA/22/LTC/12 , para. 13, will be implemented) In addition to actions noted above, promote coordinated research initiatives for an improved understanding of potential risks arising from exploitation activities through in situ and ex situ observation and experimentation. Efforts should continue to ensure that technological developments apply also to mitigation of impacts
Operational objectives: contract areas (ISBA/17/LTC/7, para. 38)				
O4	Ensure the application of the best available environmental practices and techniques	In progress	This objective has been addressed through the adoption and implementation of relevant regulations, rules and procedures, as well as the environmental policy of the Authority. Through the review of contractors' annual reports and periodic reports, the Commission and the secretariat assess progress in achieving this objective and provide feedback	This objective is to be further addressed through continuous review of annual and periodic reports, as well as the establishment of environmental standards and guidelines, designed to complement the draft regulations for exploitation of mineral resources in the Area. Scientific and technical workshops may be held to bring together experts from certain disciplines, as required
O5	Assemble and disseminate the environmental data collected by contractors for the purposes of impact assessment	Implemented	International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics, submitted by the contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData	Continuous efforts related to data analysis and synthesis are required to identify gaps in environmental baseline data in support of undertaking environmental impact assessments and to address them through sampling programmes. This may involve regular efforts to synthesize across contractor data sets and evaluate impact

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
O6	Establish guidelines for impact and preservation reference areas	In progress	<p>Environmental impact assessments have been conducted by two contractors for a collector test in the Clarion-Clipperton Zone. The reports have been made publicly available through the International Seabed Authority website³</p> <p>(Through the action indicated directly above, a further action identified during the last review as described in ISBA/22/LTC/12, para. 13, was implemented)</p> <p>An International Seabed Authority workshop on the design of impact reference zones and preservation reference zones in the Area was convened in 2017. The Commission addressed the results of that workshop in its revision of recommendation ISBA/19/LTC/8 (see ISBA/24/C/9, para. 15), which was issued as document ISBA/25/LTC/6/Rev.1 and Corr.1. International Seabed Authority Technical Study No. 21 and Briefing Paper 02/2018, both on that subject, have been published</p> <p>(Through the action indicated directly above, a further action identified during the last review as described in ISBA/22/LTC/12, para. 13, is being implemented)</p>	<p>assessment at a regional scale (along the lines of Deep Clarion-Clipperton Zone workshop activities)</p> <p>Drawing on the results of the 2017 workshop, and the plans of contractors to establish areas for impact reference zones and preservation reference zones, guidelines need to be developed, through collaboration with contractors and scientific experts, in order to ensure the effective establishment and scientifically robust design of those reference zones and their specific application to environmental impact assessment, taking into account revised recommendation ISBA/25/LTC/6/Rev.1 and Corr.1</p>
O7	Develop plans to ensure responsible environmental management to enhance the recovery of habitats and faunal communities	Not yet applicable	<p>There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone</p>	<p>This objective is to be considered before contractors apply for exploitation contracts, possibly within the context of developing environmental management and monitoring plans and/or closure plans</p>

³ See www.isa.org.jm/minerals/environmental-impact-assessments.

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
Operational objectives: areas of particular environmental interest (ISBA/17/LTC/7, para. 39)				
O8	Protect biodiversity and ecosystem structure and function by a system of representative sea-floor areas closed to mining activities. The system must be in place before additional mining claims further compromise the ability to develop a scientifically robust design	Implemented	The network of areas of particular environmental interest is in place and is being further developed in the light of new data and information available	(Through the action indicated above, a further action identified during the last review, as described in ISBA/22/LTC/12 , para. 13, will be implemented)
O9	Include a wide range of the habitat types present in the Clarion-Clipperton Zone within the areas of particular environmental interest	Implemented	The Deep Clarion-Clipperton Zone biodiversity synthesis workshop (October 2019) conducted a comprehensive scientific synthesis of available data and information and a review of the effectiveness of the current network of areas of particular environmental interest. Details are included in the annex to the present document	Establishment of additional areas of particular environmental interest is recommended in this document to increase representation of habitat types with a view to enhancing the effectiveness of the network of areas of particular environmental interest
O10	Establish an area of particular environmental interest system to avoid overlap with the current distribution of claimant and reserved areas	Implemented	None of the existing areas of particular environmental interest overlap with existing contract and reserved areas	
O11	Provide a degree of certainty to existing and prospective contractors by laying out the location of areas closed to mining activities	Implemented	The locations of existing areas of particular environmental interest are clearly laid out in the Plan. In accordance with a decision of the Council (ISBA/18/C/22), until further review of the areas of particular environmental interest by the Commission or the Council, no application for a plan of work for exploration or exploitation in the	

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
existing areas of particular environmental interest should be granted				
Management objectives: entire Clarion-Clipperton Zone (ISBA/17/LTC/7, sect. VII, para. 40)				
M1	Collate information from environmental impact assessments produced by contractors and supplemented where appropriate by other sources	Implemented	<p>(Same as O5)</p> <p>International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics submitted by contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData</p> <p>Environmental impact assessments have been conducted by two contractors for a collector test in the Clarion-Clipperton Zone. The reports have been made publicly available via the International Seabed Authority website⁴</p>	Continuous efforts related to data analysis and synthesis are required to identify any gaps in the environmental baseline data in support of undertaking environmental impact assessments and to address them through sampling programmes. This may involve regular efforts to synthesize across contractor data sets and evaluate impact assessment at a regional scale (along the lines of Deep Clarion-Clipperton Zone workshop activities)
M2	Consider the cumulative impacts of mining and other human activities	Not yet applicable	<p>(Same as O2)</p> <p>There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone</p>	Undertake an expert workshop or workshops and/or studies to assess cumulative environmental impact assessments in the Clarion-Clipperton Zone, including qualitative modelling approaches, building on experience from those undertaken as part of regional environmental management plan workshops for the northern Mid-Atlantic Ridge and Pacific Northwest regions

⁴ See www.isa.org.jm/minerals/environmental-impact-assessments.

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
M3	Exchange information on new and developing technologies and their potential environmental impacts	Not yet applicable	(Same as O3) Most contractors are still engaged in the early stages of technological development for mining operations	(Through the action indicated above, a further action identified during the last review, as described in document ISBA/22/LTC/12 , para. 13, will be implemented) (Same as O3) In addition to actions noted above, promote a coordinated research initiative for improved understanding of potential risks from exploitation activities through in situ and ex situ observation and experimentation. Efforts should continue to ensure that technological developments apply also to mitigation of impacts
Management objectives: contract areas (ISBA/17/LTC/7, sect. VII, para. 41)				
M4	Contractors will apply the principles of ISO 14001 to the development of their site-specific environmental management plans	Not yet applicable	There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone	This objective is to be addressed through the implementation of environmental standards and guidelines, currently being developed and designed to complement the draft regulations for the exploitation of mineral resources, with those standards and/or guidelines being developed, in particular, for baseline data collection, environmental impact assessments, environmental impact statements, environmental management and monitoring plans, and environmental management systems (Through the action indicated above, a further action identified

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
M5	Contractors will provide their environmental data from the Clarion-Clipperton Zone on an annual basis to the secretariat, as required by the Mining Code. The secretariat will use existing database systems and new procedures as required to organize the data into uniform formats and incorporate them with other available data from the Zone, into publicly available and easily accessible databases	Implemented	(same as O1) International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics, submitted by contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData (Through the action indicated directly above, a further action identified during the last review, as described in ISBA/22/LTC/12 , para. 13, was implemented)	during the last review, as described in document ISBA/22/LTC/12 , para. 13, will be implemented) (same as O1) Continuous efforts related to data analysis and synthesis are required to identify any gaps in the environmental baseline data in support of undertaking environmental impact assessments, and to address them through sampling programmes. Ensuring consistency of data entered in and populating the database with historical data (pre-2016) can improve the utility of DeepData
M6	Contractors will provide in their environmental management plans the designation of the required impact and preservation reference zones for the primary purposes of ensuring preservation and facilitating monitoring of biological communities impacted by mining activities	In progress	The annual reports and five-year periodic review reports submitted by contractors indicate that they are at various stages of the process of establishing impact and preservation reference zones. The reference zones are in general established for the purposes of environmental impact assessments associated with the testing of mining equipment. While some contractors have established such reference zones on a preliminary basis, with adjustments to be made based on further baseline data, others have not established such zones	(Same as O6) Drawing on the results of the 2017 workshop, and the plans of contractors to establish areas for impact and preservation reference zones, guidelines need to be developed, through collaboration with contractors and scientific experts, in order to ensure the effective establishment and scientifically robust design of those reference zones and their specific application for environmental impact assessment, taking into account revised recommendation ISBA/25/LTC/6/Rev.1 and Corr.1 (Through the action indicated above, a further action identified

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
M7	Contractors are required to minimize potential impacts on established preservation zones, and the International Seabed Authority should consider the potential for impact on established preservation zones in evaluating any application for a mining licence	Not yet applicable	There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone	during the last review, as described in ISBA/22/LTC/12 para. 13, is being implemented) Potential impacts on established preservation reference zones that are likely to arise from future exploitation activities will vary from one application to another. Accordingly, these impacts will need to be evaluated on a case-by-case basis
M8	Contractors are encouraged to collaborate with each other and independent experts to identify guidelines for uniform application in the designation of reference zones under the guidance of the International Seabed Authority	In progress	(same as O6) An International Seabed Authority workshop on the design of impact reference zones and preservation reference zones in the Area was convened in 2017. The Commission addressed the results of this workshop in its revision of recommendation ISBA/19/LTC/8 (see ISBA/24/C/9 , para. 15), which was issued as ISBA/25/LTC/6/Rev.1 and Corr.1 . International Seabed Authority Technical Study No. 21 and Briefing Paper 02/2018, both on this subject, have been published (Through the action indicated directly above, a further action identified during the last review, as described in, ISBA/22/LTC/12 , para. 13, is being implemented)	(Same as O6) Drawing on the results of the 2017 workshop, and the plans of contractors to establish areas for impact reference zones and preservation reference zones, guidelines need to be developed, through collaboration with contractors and scientific experts, in order to ensure the effective establishment and scientifically robust design of these reference zones and their specific application for environmental impact assessment, taking into account revised recommendation ISBA/25/LTC/6/Rev.1 and Corr.1
M9	Contractors will include in their environmental management plans specific measures that will maximize the potential for the recovery of biota impacted by their activities in the Clarion-Clipperton Zone	Not yet applicable	(same as O7) There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone	(Same as O7) This objective is to be considered when contractors initiate exploitation activities, possibly within the context of developing environmental management and

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone	Status of implementation	Further actions
			<p>monitoring plans, as well as closure plans</p> <p>(Through the action indicated above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, will be implemented)</p>
Management objectives: areas of particular environmental interest (ISBA/17/LTC/7, sect. VII, para. 42)			
M10	<p>The Legal and Technical Commission should keep under review the areas of particular environmental interest and determine their suitability or need for amendment. This will involve holding a workshop of scientific/marine reserve/ management specialists to peer-review and critique the existing proposal and any new data and information from the contractors</p>	Implemented	<p>(Same as O9)</p> <p>The Deep Clarion-Clipperton Zone biodiversity synthesis workshop (October 2019) conducted a comprehensive scientific synthesis of available data and information and a review of the effectiveness of the current network of areas of particular environmental interest. Details are included in the annex to the present document</p> <p>(Through the action indicated directly above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, was implemented)</p>
Implementation (ISBA/17/LTC/7, sect. VIII, paras. 44–45)			
II	<p>The present Environmental Management Plan should be implemented progressively by the secretariat as directed by the Legal and Technical Commission, taking into account external expert views as appropriate. Additional resources may be needed to take these objectives forward and this should be the subject of a separate detailed proposal to be developed by the secretariat</p>	Implemented	<p>The Plan has been implemented progressively by the secretariat as directed by the Commission. Since 2019, a dedicated annual budget has been allocated to support the development and review of regional environmental management plans</p>

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone	Status of implementation	Further actions	
Review (ISBA/17/LTC/7, sect. IX, para. 46)				
R1	The Environmental Management Plan will be subject to periodic external review by the Legal and Technical Commission (every two to five years, as required) and updated at least two years in advance of the end of the plan in 2016 (coinciding with the end of currently granted exploration licences for six of the contractors in the Clarion-Clipperton Zone)	In progress	The Commission has carried out a review of progress in the implementation of the environmental management plan for the Clarion-Clipperton Zone, and formulated recommendations on the establishment of additional areas of particular environmental interest, as summarized in section IV of the present review	In future, the Commission will continue to review the implementation of the environmental management plan for the Clarion-Clipperton Zone every two to five years
Recommended priority action (ISBA/17/LTC/7, sect. X, paras. 47–52)				
P1	The secretariat will set up a working group or an expert consultant group, including contractor experts, to facilitate the establishment of environmental databases using contractors and selected external data sources. That task should be initiated as soon as possible and before the end of 2011. The group will work with secretariat staff to develop the required procedures and protocols and publicly available and easily accessible databases	Implemented	<p>(same as O1 and M5)</p> <p>The International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics, submitted by contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData</p> <p>The collation and dissemination of environmental data obtained from contractors have been achieved through DeepData</p> <p>Reporting templates (see ISBA/21/LTC/15, annex IV) have been adopted for collection and organization of digital data in a coherent format. The templates are currently being updated</p> <p>In September 2020, the secretariat convened a workshop on DeepData – with the</p>	(same as O1 and M5) Continuous efforts will be made to improve the functionalities and structure of DeepData, as a comprehensive global repository of data submitted by contractors based on their exploration and any future exploitation activities

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone		Status of implementation	Further actions
P2	The contractors have carried out significant environmental work in the Clarion-Clipperton Zone. When all of the resultant data have been standardized in a central database, it should be reviewed in order to assess the biogeography of the Zone and the areas of particular environmental interest, and used to assist in the environmental management of the region	Implemented	<p>participation of members of the Legal and Technical Commission, contractors and various other stakeholders – which addressed aspects of digital data submission to the International Seabed Authority and exchange of non-confidential data with other ocean-related global databases. The outcomes of the workshop are being incorporated in the data management strategy that is currently being finalized by the International Seabed Authority</p> <p>(Through the action indicated above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, was implemented)</p> <p>Environmental data submitted by the contractors were analysed and synthesized for the workshop on Deep Clarion-Clipperton Zone biodiversity synthesis to support the assessment of the effectiveness of the network of areas of particular environmental interest. The data collected by contractors are compiled on a continuous basis in the International Seabed Authority DeepData database</p>	Develop region-wide programmes on habitat classification and mapping, including in areas of particular environmental interest, for continued review and assessment of biogeography in the Clarion-Clipperton Zone, including the validation of habitat classification as presented in the annex to the present report. Contractors will be encouraged to sample to a greater extent in areas of particular environmental interest, and meetings will be set up to enable discussion of the development of a robust sampling programme in areas of particular environmental interest
P3	The secretariat will retain a set of expert consultants to facilitate data standardization, including taxonomic	Implemented	A series of taxonomic standardization workshops were convened: on megafauna in Wilhelmshaven, Germany (2013); on	Efforts have also been initiated to further standardize taxonomic data in DeepData through collaboration

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone	Status of implementation	Further actions	
	intercalibration, across contractor data sets and the Clarion-Clipperton Zone	<p>macrofauna in Uljin-gun, Republic of Korea (2014); and on meiofauna in Ghent, Belgium (2015). The outcomes of the workshop held in the Republic of Korea were published in International Seabed Authority Technical Study No. 13 and Briefing Paper 01/2015 and the outcomes of the workshop held in Germany were published in Briefing Paper 02/2014</p> <p>In September 2020, the secretariat convened an online workshop on deep-sea taxonomic standardization aimed at addressing taxonomic knowledge gaps in a scientifically robust, coherent and collaborative manner. The outcomes have been published in the report of the workshop⁵</p> <p>(Through the action indicated above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, was implemented)</p>	with the World Register of Marine Species. Drawing on the outcomes of the workshop on Deep Sea Taxonomic Standardization, a road map towards building a long-term collaborative framework for deep-sea taxonomists will be prepared and implemented	
P4	The secretariat will host a workshop including contractor representatives and expert consultants. The objective of the workshop will be to develop specific guidelines for use by contractors in establishing impact and preservation reference zones	In progress	<p>(Same as O6)</p> <p>An International Seabed Authority workshop on the design of in the Area was convened in 2017. The Commission addressed the results of this workshop in its revision of recommendation ISBA/19/LTC/8 (see ISBA/24/C/9, para. 15), which was issued as document ISBA/25/LTC/6/Rev.1 and Corr.1. ISA Technical Study No. 21 and Briefing Paper 02/2018, both on this subject, have been published</p> <p>(Through the action indicated directly above, a further action identified during the last</p>	<p>(Same as O6)</p> <p>Drawing on the results of the 2017 workshop, and the plans of contractors to establish areas for impact reference zones and preservation reference zones, guidelines need to be developed, through collaboration with contractors and scientific experts, in order to ensure the effective establishment and scientifically robust design of those reference zones and their specific application for environmental impact assessment, taking into account</p>

⁵ Available at https://isa.org.jm/files/files/documents/WS%20Report_Taxonomic%20Standardization.pdf.

Index	Objectives/measures in the environmental management plan for the Clarion-Clipperton Zone	Status of implementation	Status of implementation	Further actions
P5	The secretariat will complete a cumulative impact assessment for seabed mining in the Clarion-Clipperton Zone	Not yet applicable	<p>review, as described in, ISBA/22/LTC/12, para. 13, is being implemented)</p> <p>There have been no submissions of an application for exploitation in the Clarion-Clipperton Zone</p>	<p>revised recommendation ISBA/25/LTC/6/Rev.1 and Corr.1</p> <p>(Same as O2)</p> <p>Undertake an expert workshop or workshops and/or studies to assess cumulative environmental impact assessments in the Clarion-Clipperton Zone, including qualitative modelling approaches, building on experience from those undertaken as part of regional environmental management plan workshops for the northern Mid-Atlantic Ridge and Pacific Northwest regions</p> <p>(Through the action indicated directly above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, will be implemented)</p>
P6	The International Seabed Authority will aim to periodically (for example, every 5 to 10 years) issue a publicly available environmental quality status report for the region, based on the data and information compiled from contractors and independent science	In progress	<p>International Seabed Authority database DeepData has been developed and was publicly launched in July 2019 as a central repository for data and information on mineral resources and environmental characteristics submitted by contractors and obtained from their exploration activities. Pursuant to this public launch, environmental data can be made accessible to the public through DeepData</p> <p>The collation and dissemination of environmental data obtained from contractors have been achieved through International Seabed Authority database DeepData</p>	<p>Guidance by the Commission is needed on the contents and format of environmental quality status reports as well as on how data analysis and synthesis can be conducted for this purpose</p> <p>(Through the action indicated above, a further action identified during the last review, as described in ISBA/22/LTC/12, para. 13, is being implemented)</p>

Annex

Scientific rationale for the establishment of four additional areas of particular environmental interest (APEIs) proposed to enhance the effectiveness of the network of areas of particular environmental interest in the Clarion-Clipperton Zone

1. Within the context of the review of the implementation of the environmental management plan for the Clarion-Clipperton Zone (see sect. II.A, paras. 7–10, above), the workshop on Deep Clarion-Clipperton Zone biodiversity synthesis¹ focused on analysing available data to evaluate the current understanding of biodiversity patterns and trends across the Clarion-Clipperton Zone. The outcomes were submitted to the Commission in document [ISBA/26/LTC/2](#) and discussed by the Commission during its meetings (see paras. 15–16 above). The discussions centred on addressing the effectiveness of the current network of areas of particular environmental interest in the Clarion-Clipperton Zone and consideration of the need to establish additional areas of particular environmental interest so as to close some gaps in the existing network. In particular, consideration was given to the siting of new areas of particular environmental interest to ensure the effective protection of representative habitats. Key scientific conclusions from the workshop include the following:

(a) The main environmental drivers of biodiversity patterns support the variables used in the original design of the network of areas of particular environmental interest, namely, particulate organic carbon (i.e., a measure of food availability); depth; topography (abyssal plain or seamount); and substrate (nodule or sediment). This confirms the scientific approach (which divides the Clarion-Clipperton Zone into nine particulate organic carbon zones), applied previously in the context of designing the location of areas of particular environmental interest with a view to capturing habitat representativity. This also supports the inclusion of seamounts and abyssal hills in areas of particular environmental interest;

(b) There is a predominance of localized distributions among taxa in the Clarion-Clipperton Zone and many species may have ranges of less than 200 kilometres (km). The full size of the areas of particular environmental interest (160,000 km²), as specified in environmental management plan for the Clarion-Clipperton Zone (including a core area measuring 200 km in length by 200 km in width surrounded by a 100 km buffer zone) (see [ISBA/17/LTC/7](#), para. 25), is appropriate for maintaining populations and preserving local biodiversity in such areas. However, as coverage of areas of particular environmental interest is restricted to the outer perimeter of the Clarion-Clipperton Zone, the biodiversity of the central regions is inadequately represented;

(c) Connectivity varies between taxa, with a gradient of connectivity over distances ranging from 10s km to 1000s km. The concept of a linked network is accepted as the basis for current best practice for designing marine protected areas but there is no single “optimal” spacing of areas of particular environmental interest to ensure connectivity between them.

2. An assessment of the distribution of environmental factors and their coverage within areas of particular environmental interest was part of the data compilation and synthesis process undertaken by the Deep Clarion-Clipperton Zone workshop. A description of those environmental factors and an evaluation of the representativity of each factor in areas of particular environmental interest have since been published

¹ See International Seabed Authority, *Report of the Deep CCZ Biodiversity Synthesis Workshop, Friday Harbor, Washington, United States of America, 1–4 October 2019* (2020).

by Washburn and others (2021).² From their work, the following relevant conclusions were drawn:

(a) Near-bottom water characteristics (water mass, oceanographic parameters, water chemistry) are relatively consistent across the Clarion-Clipperton Zone;

(b) Particulate organic carbon fluxes, nodule abundance, sediment characteristics, depth and topography vary between Clarion-Clipperton Zone subregions (the nine particulate organic carbon zones) and their areas of particular environmental interest;

(c) Much of the environmental variability in northern and southern parts of the Clarion-Clipperton Zone is captured in the areas of particular environmental interest, but central and south-east areas are not well represented in the current nine areas of particular environmental interest.

3. The Deep Clarion-Clipperton Zone workshop developed a habitat classification analysis (subsequently published in McQuaid and others, (2020)³) which combined data on the distribution of the agreed main environmental drivers of biodiversity in the region. The variables used were:

(a) Topography (seamounts-ridges/abyssal plain) (based on General Bathymetric Chart of the Oceans (GEBCO)_2014 and ArcGIS Benthic Terrain Modeler analysis);

(b) Particulate organic carbon (based on a global model of particulate organic carbon at the seabed from Lutz and others, 2007);

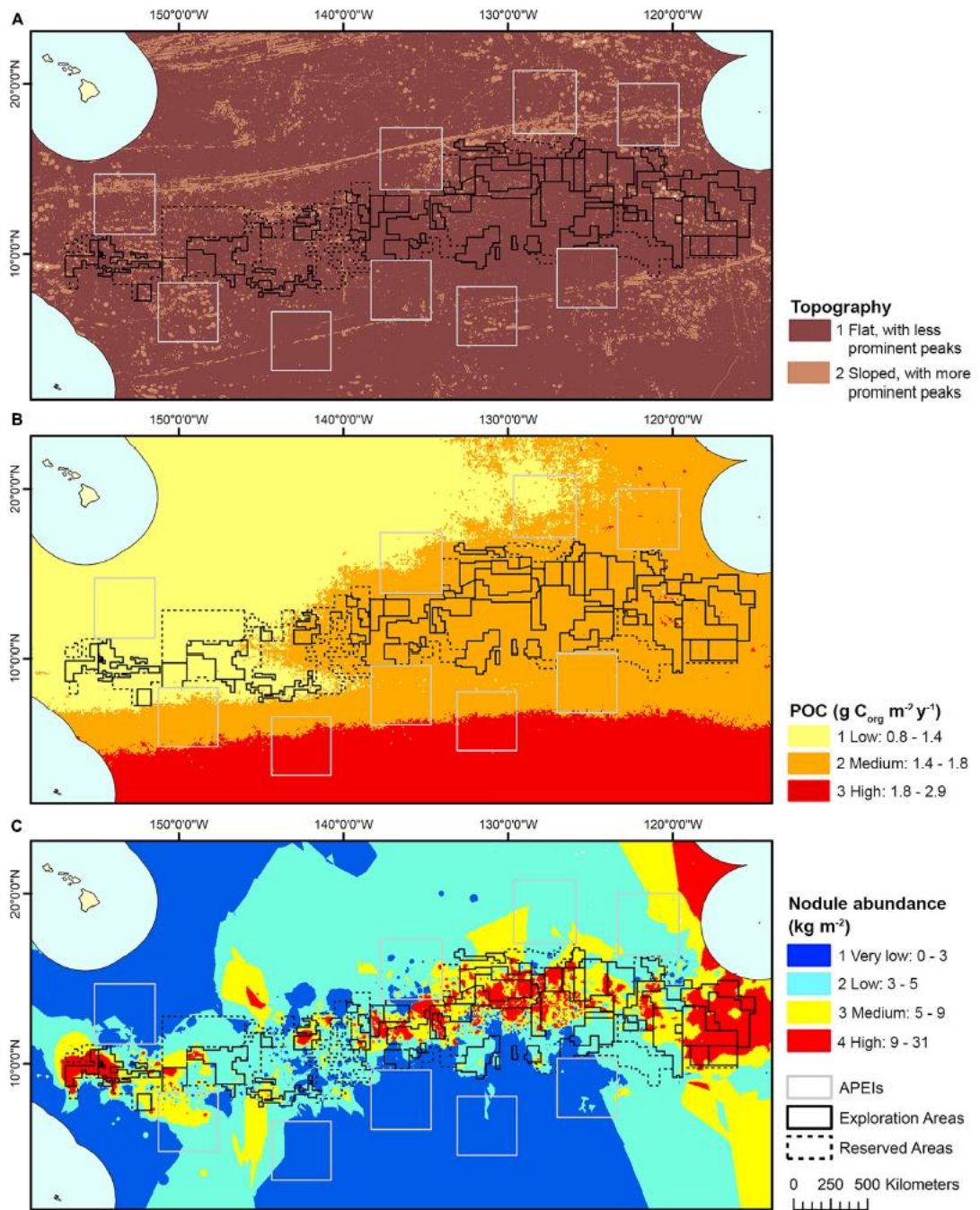
(c) Nodule abundance (kilograms per square kilometre) (substrate composition: soft to hard) (based on International Seabed Authority geological model 2010, with some additional data provided by Charles Morgan).

4. The data were run through a clustering technique to evaluate the “optimal” number of categories within each variable. The distributions of each environmental variable and its categories are shown in figure I.

² Travis W. Washburn and others, “Environmental heterogeneity throughout the Clarion-Clipperton Zone and the potential representativity of the APEI network”, *Frontiers in Marine Science*, vol. 8 (30 March 2021), p. 319.

³ Kirsty A. McQuaid and others, “Using habitat classification to assess representativity of a protected area network in a large, data-poor area targeted for deep-sea mining”, *Frontiers in Marine Science*, vol. 7 (9 December 2020), p. 1066.

Figure I
Data layers for topography, particulate organic carbon and nodule abundance used in classification modelling (from McQuaid and others (2020), figure 4)



5. The data were input to a further clustering technique which resulted in 24 classes representing different combinations of the three environmental variables (figure II). The characteristics of those classes are presented in table 1 of the present annex.

Figure II
Plot of the final 24 habitat classes across the Clarion-Clipperton Zone (with the existing nine areas of particular environmental interest (APEIs) shown for reference) (based on McQuaid and others (2020))

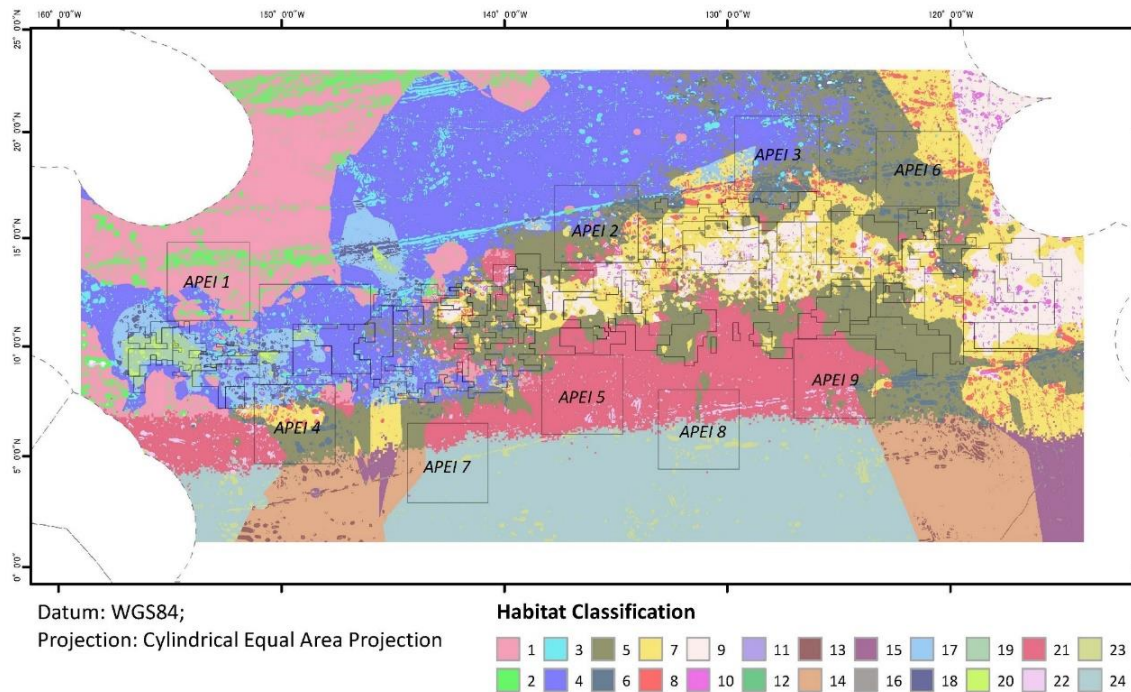


Table 1
Summary of characteristics, area and percentage cover of each habitat class in the model domain

Habitat	Nodule abundance	Particulate organic carbon flux	Topography	Area (km ²)	Area (%)
1	Very low	Low	Flat, with some small topographic features	1 052 374	9.92
2	Very low	Low	Sloped, with more prominent peaks and troughs	218 987	2.07
3	Low	Low	Sloped, with more prominent peaks and troughs	220 739	2.08
4	Low	Low	Flat, with some small topographic features	1 759 294	16.59
5	Low	Medium	Flat, with some small topographic features	1 468 301	13.85
6	Low	Medium	Sloped, with more prominent peaks and troughs	245 334	2.31
7	Medium	Medium	Flat, with some small topographic features	958 727	9.04
8	Medium	Medium	Sloped, with more prominent peaks and troughs	154 538	1.46
9	High	Medium	Flat, with some small topographic features	555 026	5.23
10	High	Medium	Sloped, with more prominent peaks and troughs	53 771	0.51
11	High	High	Sloped, with more prominent peaks and troughs	1 009	0.01
12	High	High	Flat, with some small topographic features	649	0.01
13	Low	High	Sloped, with more prominent peaks and troughs	55 868	0.53
14	Low	High	Flat, with some small topographic features	633 839	5.98
15	Medium	High	Flat, with some small topographic features	165 471	1.56
16	Medium	High	Sloped, with more prominent peaks and troughs	9 031	0.09
17	Medium	Low	Flat, with some small topographic features	268 422	2.53

<i>Habitat</i>	<i>Nodule abundance</i>	<i>Particulate organic carbon flux</i>	<i>Topography</i>	<i>Area (km²)</i>	<i>Area (%)</i>
18	Medium	Low	Sloped, with more prominent peaks and troughs	63 625	0.60
19	High	Low	Flat, with some small topographic features	68 727	0.65
20	High	Low	Sloped, with more prominent peaks and troughs	17 345	0.16
21	Very low	Medium	Flat, with some small topographic features	1 062 069	10.02
22	Very low	Medium	Sloped, with more prominent peaks and troughs	61 674	0.58
23	Very low	High	Sloped, with more prominent peaks and troughs	72 448	0.68
24	Very low	High	Flat, with some small topographic features	1 437 057	13.55

Note: Areas differ slightly from those in McQuaid and others (2020) owing to the different mapping projection used by the International Seabed Authority.

6. For each habitat class, the area contained within the nine existing areas of particular environmental interest, within current exploration contract or reserved areas and outside the areas of particular environmental interest and contract/reserved areas (referred to as “other Clarion-Clipperton Zone areas”) was calculated within the model domain. The results are tabulated in table 2.

Table 2

Coverage of the 24 habitat classes within existing contract/reserved areas, areas of particular environmental interest or other Clarion-Clipperton Zone areas (outside areas of particular environmental interest/contract/reserved areas); and their modelled nodule abundance rating

<i>Habitat class</i>	<i>Total area (km²)</i>	<i>Number of areas of particular environmental interest</i>	<i>Percentage in contract or reserved areas</i>	<i>Percentage in areas of particular environmental interest</i>	<i>Percentage in other Clarion-Clipperton Zone areas</i>	<i>Nodule cover</i>
1	1 142 505	6	4	11	86	Very low
2	240 740	4	3	15	82	Very low
3	241 329	5	10	11	79	Low
4	1 928 272	7	13	8	79	Low
5	1 557 203	8	31	18	51	Low
6	264 740	8	10	28	62	Low
7	1 019 185	6	41	9	50	Medium
8	165 080	5	21	16	63	Medium
9	593 231	2	62	0.4	38	High
10	57 997	2	53	1	46	High
11	1 125	0	21	0	79	High
12	714	0	49	0	51	High
13	56 480	5	0.04	1	99	Low
14	636 650	4	0.06	3	97	Low
15	166 478	0	1	0	99	Medium
16	9 228	1	6	1	93	Medium
17	280 487	5	35	8	57	Medium
18	66 355	4	31	9	60	Medium
19	70 899	1	69	0.3	30	High
20	17 923	1	57	0.2	43	High
21	1 086 811	6	12	36	52	Very low

<i>Habitat class</i>	<i>Total area (km²)</i>	<i>Number of areas of particular environmental interest</i>	<i>Percentage in contract or reserved areas</i>	<i>Percentage in areas of particular environmental interest</i>	<i>Percentage in other Clarion-Clipperton Zone areas</i>	<i>Nodule cover</i>
22	63 133	7	13	37	50	Very low
23	72 864	5	0	23	77	Very low
24	1 443 516	5	0	13	87	Very low

7. As regards existing areas of particular environmental interest, among the 24 habitat classes:

(a) Ten are common (>10 per cent area) in areas of particular environmental interest, and a further four have >5 per cent area within areas of particular environmental interest;

(b) Three are absent from areas of particular environmental interest (classes 11, 12 and 15);

(c) Six are poorly represented in areas of particular environmental interest, but common in contract/reserved areas (classes 9, 10, 11, 12, 19 and 20);

(d) Four are poorly represented in areas of particular environmental interest, and uncommon in contract/reserved areas but common in other Clarion-Clipperton Zone areas (classes 13, 14, 15 and 16);

(e) Six habitat classes are represented in 0 or only one area of particular environmental interest (classes 11, 12, 15, 16, 19 and 20), indicating that their replication is limited in the current network.

8. Habitat classes 9, 10, 11, 12, 19 and 20 are particularly underrepresented in the existing network of areas of particular environmental interest relative to the contract/reserved areas. This is important because those habitat classes, in particular 9, 10, 19 and 20 (primarily nodule-rich), are potentially at higher risk from the impacts of future exploitation activities in the Clarion-Clipperton Zone. In addition, fauna associated with nodules are often endemic (i.e., they have a highly localized distribution) and specific to nodules. Ensuring a better representation of those habitat classes is the main rationale for the proposed establishment of four additional areas of particular environmental interest.

9. Classes 11 and 12 occur in very small areas, as these are typically associated with seamounts and knolls. The inclusion of seamounts in areas of particular environmental interest is routinely considered under the operational objectives for areas of particular environmental interest in the environmental management plan for the Clarion-Clipperton Zone,⁴ and because of their small size, they are not prioritized here.

10. Although classes 13, 14, 15 and 16 are also poorly represented in areas of particular environmental interest, high proportions of them are found in other Clarion-Clipperton Zone areas (outside areas of particular environmental interest/contract areas/reserved areas); hence, they are less vulnerable at this stage to impact from potential exploitation activities.

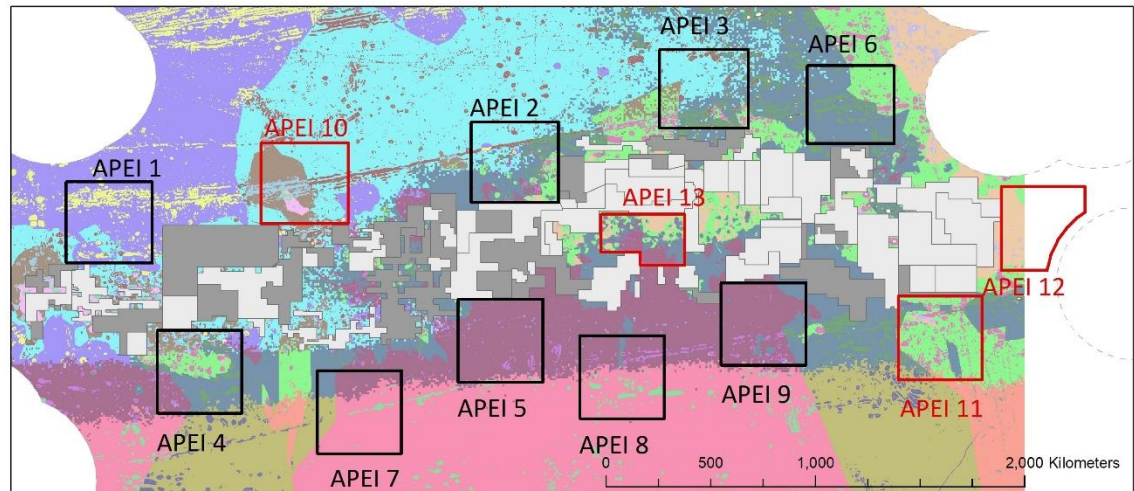
11. In order to improve the coverage of habitat classes from the nodule-rich areas, as well as close the large spatial gaps in the existing network of areas of particular environmental interest, four new areas of particular environmental interest are proposed (figure III). The coordinates of the proposed new areas of particular environmental interest are given in appendix I below. The area of each habitat class

⁴ See [ISBA/17/LTC/7](#), para. 39.

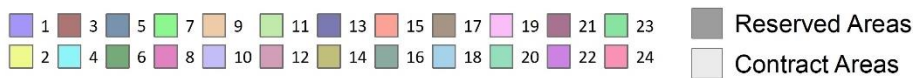
included in the existing and proposed new areas of particular environmental interest is given in appendix II.

Figure III

Map of habitat class distribution, and location of existing areas of particular environmental interest (black polygons) and proposed new areas of particular environmental interest (red polygons)



Habitat Classification



Datum: WGS84; Projection: Cylindrical Equal Area Projection

12. Areas of particular environmental interest 10 and 11 are positioned in alignment with the existing areas of particular environmental interest to close the gaps in spatial coverage to the north-west and south-east of the Clarion-Clipperton Zone and improve the likelihood of connectivity between areas of particular environmental interest. These are full-sized areas of particular environmental interest (160,000 km²).

13. Areas of particular environmental interest 12 and 13 are positioned in the central region of the Clarion-Clipperton Zone to augment the inclusion of nodule-rich areas and associated faunal communities in the network of areas of particular environmental interest. Area of particular environmental interest 12, which is located to the east of existing contract areas, was shaped taking into consideration boundaries of exclusive economic zones. Proposed area of particular environmental interest 13 is in the central region of the Clarion-Clipperton Zone and surrounded by contract areas and reserved areas, which affects its shape and size.

14. The benefits of the proposed areas of particular environmental interest accrue primarily to habitat classes 9, 10, 15, 19 and 20. These include the four key target classes that are particularly underrepresented in existing areas of particular environmental interest relative to the contract/reserved areas (table 3).

Table 3
Representativity benefits accruing to five habitat classes from establishment of the four proposed areas of particular environmental interest

Habitat class	No. of APEIs now/after	APEI 10		APEI 11		APEI 12		APEI 13	
		(km ²)	(%)	(km ²)	(%)	(km ²)	(%)	(km ²)	(%)
		160 000		160 000		126 740		87 000	
9	2/5			2 934	1.83	38 055 ^a	85.78	15 851	18.21
10	2/5			1 639	1.02	1 077 ^a	2.43	755	0.87
15	0/1			2 882	1.80				
19	1/2	5 733	3.58						
20	1/2	2 128	1.33						

Note: Column head “No. of APEIs now/after” refers to the number of areas of particular environmental interest (APEIs) where the habitat class is currently represented within the existing network (“now”) and the number of APEIs in which the habitat class would be represented following the establishment of the four proposed areas (“after”). Percentage (“%”) applies to the area of particular environmental interest, not to the habitat class.

^a The model domain does not extend eastward into the full area of particular environmental interest. The areas presented here are based on the actual model result, covering 44,363.51 km².

15. The representativity gains include the following:

(a) Large areas of several habitat classes (especially habitat class 9 and most others with a size >1,000 km²) are included;

(b) Replication of classes within areas of particular environmental interest is improved (habitat class 15 becomes included in one area of particular environmental interest; all other classes double the number of areas of particular environmental interest). Whereas small portions of nodule-rich habitat classes 9 and 10 are currently found in other areas of particular environmental interest, the establishment of new areas of particular environmental interest 12 and 13 provides extensive areas of those classes with an east-west separation along the nodule belt axis, further improving the likelihood of protection of representative faunal communities;

(c) A number of other habitat classes are included in these new areas of particular environmental interest (see appendix II below). It is noteworthy that the proportion of habitat classes varies between proposed areas of particular environmental interest 12 and 13. This highlights the value of both proposed new areas of particular environmental interest with respect to capturing differences in biodiversity at more localized scales across the Clarion-Clipperton Zone;

(d) Although not included in the benthic classification analysis, proposed areas of particular environmental interest 12 and 13 underlie mid-water layers of the oxygen minimum zone. As existing areas of particular environmental interest lie outside the core oxygen minimum zone, they may not represent or protect pelagic fauna from mining impacts (Perelman and others, 2021).⁵

16. The connectivity gains include the following:

(a) Areas of particular environmental interest are all separated by less than 1,000 km;

⁵ Jessica N. Perelman and others, “Mesopelagic scattering layer behaviors across the Clarion-Clipperton Zone: implications for deep-sea mining”, *Frontiers in Marine Science*, vol. 8 (10 May 2021), p. 492.

(b) There is a clear east-west improvement with the addition of areas of particular environmental interest 10 and 11. Area of particular environmental interest 10 bridges the previous gap of almost 1,500 km between areas of particular environmental interest 1 and 2, with distances of 530 km and 560 km, respectively, between area of particular environmental interest 10 and areas of particular environmental interest 1 and 2. The distance between areas of particular environmental interest 11 and 9 is 440 km;

(c) There is an improved north-south linkage. Area of particular environmental interest 12 potentially enables connectivity between the north-eastern Clarion-Clipperton Zone (existing area of particular environmental interest 6) and the south-eastern Clarion-Clipperton Zone (through the establishment of new area of particular environmental interest 11), with separation distances of 550 km and 230 km, respectively. New area of particular environmental interest 13 links multiple areas of particular environmental interest across the central portion of the Clarion-Clipperton Zone, with the distance between adjacent existing areas of particular environmental interest being of the order of 250–450 km.

17. It should be noted, in the context of the above potential gains, that:

(a) The use of environmental variables as surrogates for faunal communities may not yield perfect results. However, the environmental variables selected have proved to be biologically meaningful, and the classification techniques are well accepted in the scientific literature. Nonetheless, it is strongly recommended that ground truthing still be utilized to validate the new – as well as existing – areas of particular environmental interest;

(b) The sizes of areas of particular environmental interest 12 and 13 are less than was specified as part of the original design criteria under the environmental management plan for the Clarion-Clipperton Zone. The results of the Deep Clarion-Clipperton Zone workshop supported the original recommendation that the size of the core area of each area of particular environmental interest should be 200 km by 200 km to sustain populations (see p. 28 of the report of the workshop). This has been maintained in the two new areas of particular environmental interest, but the specification that the core area be surrounded by an additional buffer zone with a width of 100 km, to reduce the risk of impact from an adjacent mining operation, has not been fully met. However, according to expert scientific advice, the protection of representative communities in this central region of the Clarion-Clipperton Zone is more important than maintaining the full size of the area of particular environmental interest.

Appendix I

Turning-point coordinates of the proposed new areas of particular environmental interest

<i>No. of area of particular environmental interest</i>	<i>Turning point</i>	<i>Longitude (W)</i>	<i>Latitude (N)</i>
10	1	-143.02903562	16.51540244
	2	-143.03569098	12.90819823
	3	-146.76934701	12.92150894
	4	-146.76934701	16.51540244
11	1	-119.41500000	9.75000000
	2	-115.82173886	9.75000000
	3	-115.82173886	6.09797525
	4	-119.41500000	6.09797525
12	1	-115.00000000	14.55973692
	2	-111.40673887	14.55973692
	3	-111.40673887	13.42341576
	4	-111.69237261	13.22552848
	5	-111.70006678	13.22006580
	6	-111.70764414	13.21444879
	7	-111.71510144	13.20867985
	8	-111.72243554	13.20276144
	9	-111.72805527	13.19805427
	10	-111.73359705	13.19325935
	11	-111.73905948	13.18837788
	12	-111.74444113	13.18341115
	13	-111.74529520	13.18261015
	14	-111.75433034	13.17389966
	15	-112.17153125	12.75946259
	16	-112.17803583	12.75285234
	17	-112.18440180	12.74611347
	18	-112.19062652	12.73924880
	19	-112.19670745	12.73226116
	20	-112.19870198	12.72985098
	21	-112.19937819	12.72904101
	22	-112.20067299	12.72751926
	23	-112.20352212	12.72409647
	24	-112.20746902	12.71937727
	25	-112.21405850	12.71107310
	26	-112.22044878	12.70262037
	27	-112.22663640	12.69402367
	28	-112.56221479	12.21499694
	29	-112.56735339	12.20748540
	30	-112.56935049	12.20438235
	31	-112.57231324	12.19985801

<i>No. of area of particular environmental interest</i>	<i>Turning point</i>	<i>Longitude (W)</i>	<i>Latitude (N)</i>
	32	-112.57430346	12.19675077
	33	-112.57717256	12.19217014
	34	-112.57913822	12.18904695
	35	-112.58380799	12.18124520
	36	-112.58911951	12.17190996
	37	-112.59420459	12.16245356
	38	-112.59906042	12.15288130
	39	-112.60368428	12.14319857
	40	-112.84799418	11.61434722
	41	-112.85165849	11.60618591
	42	-112.85515842	11.59795480
	43	-112.85849262	11.58965713
	44	-112.86165982	11.58129613
	45	-112.86528725	11.57104003
	46	-112.86866345	11.56070089
	47	-112.87178648	11.55028471
	48	-112.87465458	11.53979750
	49	-113.02085257	10.97740552
	50	-113.02298127	10.96885631
	51	-113.02494094	10.96026774
	52	-113.02673084	10.95164307
	53	-113.02835032	10.94298557
	54	-113.03013487	10.93211755
	55	-113.03165091	10.92120978
	56	-113.03289760	10.91026875
	57	-113.03387420	10.89930094
	58	-113.03740133	10.85321114
	59	-115.00000000	10.85321114
	60	-115.00000000	14.55973692
13	1	-128.58333300	13.33333300
	2	-128.58333300	11.08330000
	3	-130.50000000	11.08330000
	4	-130.50000000	11.66667552
	5	-132.17659413	11.66666700
	6	-132.17659414	13.33333300

Appendix II

Habitat classes, by size of area occupied in existing and proposed new areas of particular environmental interest

Habitat Class	Total Area (sq.km)	APEI 01		APEI 02		APEI 03		APEI 04		APEI 05		APEI 06		APEI 07		APEI 08		APEI 09		APEI 10		APEI 11		APEI 12		APEI 13			
		(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)	(sq.km)	(%)
1	1052374.43	106,796.17	67.10%	2,006.60	1.26%	0.00	0.00%	4,540.17	2.85%	861.48	0.54%	0.00	0.00%	0.00	0.00%	79.46	0.05%	93.88	0.06%	4,542.28	2.83%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
2	218987.72	31,568.26	19.83%	971.31	0.61%	0.00	0.00%	869.93	0.55%	38.14	0.02%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	650.02	0.41%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
3	220739.40	2,417.95	1.52%	7,347.82	4.60%	10,856.93	6.80%	2,994.22	1.88%	0.00	0.00%	81.96	0.05%	0.00	0.00%	0.00	0.00%	0.00	0.00%	9,869.87	6.16%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
4	1759294.40	18,389.11	11.55%	52,234.71	32.72%	68,430.56	42.87%	6,987.64	4.38%	81.97	0.05%	1,422.37	0.92%	0.00	0.00%	0.00	0.00%	81.97	0.05%	73,358.74	45.77%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
5	1468301.90	0.00	0.00%	50,475.38	31.61%	34,211.08	21.43%	49,657.43	31.14%	4,293.87	2.68%	88,894.48	57.78%	11,105.64	6.97%	3,284.58	2.06%	27,903.26	17.49%	0.00	0.00%	25,805.39	16.13%	0.00	0.00%	26,442.53	30.37%	0.00	0.00%
6	245334.76	0.00	0.00%	12,144.21	7.61%	18,781.95	11.77%	12,308.12	7.72%	325.67	0.20%	21,555.12	14.01%	4.94	0.00%	262.78	0.17%	2,881.52	1.81%	0.00	0.00%	9,178.03	5.74%	0.00	0.00%	827.05	0.95%	0.00	0.00%
7	958727.06	0.00	0.00%	16,035.52	10.04%	11,680.96	7.32%	25,649.83	16.08%	181.29	0.11%	35,465.69	23.05%	0.00	0.00%	0.00	0.00%	764.92	0.48%	0.00	0.00%	86,214.37	53.88%	4,898.61	11.04%	16,273.88	18.69%	0.00	0.00%
8	154538.00	0.00	0.00%	3,069.69	1.92%	7,251.26	4.54%	8,430.98	5.29%	0.00	0.00%	5,835.37	3.79%	0.00	0.00%	0.00	0.00%	281.47	0.18%	0.00	0.00%	22,512.31	14.07%	332.93	0.75%	526.88	0.61%	0.00	0.00%
9	555026.17	0.00	0.00%	2,196.57	1.38%	0.00	0.00%	370.50	0.23%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	2,933.57	1.83%	38,054.87	85.78%	15,851.16	18.21%	0.00	0.00%
10	53771.18	0.00	0.00%	406.24	0.25%	0.00	0.00%	200.94	0.13%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	1,638.88	1.02%	1,077.10	2.43%	754.79	0.87%	0.00	0.00%
11	1009.06	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
12	649.75	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
13	55868.94	0.00	0.00%	0.00	0.00%	57.51	0.04%	198.48	0.12%	0.00	0.00%	185.78	0.12%	322.98	0.20%	7.89	0.00%	0.00	0.00%	0.00	0.00%	2,119.20	1.32%	0.00	0.00%	0.00	0.00%	0.00	0.00%
14	633839.97	0.00	0.00%	0.00	0.00%	0.00	0.00%	4,100.52	2.57%	0.00	0.00%	156.70	0.10%	14,567.04	9.15%	31.56	0.02%	0.00	0.00%	0.00	0.00%	5,962.95	3.73%	0.00	0.00%	0.00	0.00%	0.00	0.00%
15	165471.29	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	2,882.19	1.80%	0.00	0.00%	0.00	0.00%	0.00	0.00%
16	9031.46	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	81.37	0.05%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	438.93	0.27%	0.00	0.00%	0.00	0.00%	0.00	0.00%
17	268422.86	0.00	0.00%	598.35	0.37%	7,341.71	4.60%	12,899.53	8.09%	5.85	0.00%	136.29	0.09%	0.00	0.00%	0.00	0.00%	0.00	0.00%	51,175.40	31.93%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
18	63625.86	0.00	0.00%	13.92	0.01%	1,008.49	0.63%	4,849.63	3.04%	0.00	0.00%	23.30	0.02%	0.00	0.00%	0.00	0.00%	0.00	0.00%	12,792.60	7.98%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
19	68727.35	0.00	0.00%	0.00	0.00%	0.00	0.00%	233.58	0.15%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	5,733.09	3.58%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
20	17345.10	0.00	0.00%	0.00	0.00%	0.00	0.00%	43.21	0.03%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	2,127.95	1.33%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
21	1062069.16	0.00	0.00%	10,255.67	6.42%	0.00	0.00%	21,923.55	13.75%	142,495.38	88.77%	0.00	0.00%	29,778.07	18.70%	54,966.80	34.52%	119,118.14	74.66%	0.00	0.00%	311.41	0.19%	0.00	0.00%	25,724.03	29.55%	0.00	0.00%
22	61674.52	0.00	0.00%	1,901.49	1.19%	0.00	0.00%	2,844.36	1.78%	5,028.94	3.13%	0.00	0.00%	187.83	0.12%	5,955.34	3.74%	6,834.16	4.28%	17.10	0.01%	4.87	0.00%	0.00	0.00%	659.45	0.76%	0.00	0.00%
23	72448.50	0.00	0.00%	0.00	0.00%	0.00	0.00%	86.32	0.05%	1,039.78	0.65%	0.00	0.00%	3,209.22	2.02%	11,906.28	7.48%	330.19	0.21%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
24	1437057.24	0.00	0.00%	0.00	0.00%	0.00	0.00%	279.02	0.17%	6,164.99	3.84%	0.00	0.00%	100,050.16	62.84%	82,726.05	51.96%	1,256.74	0.79%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	10604336.09	159,171.48	100.00%	159,657.49	100.00%	159,620.47	100.00%	159,467.98	100.00%	160,517.36	100.00%	153,838.43	100.00%	159,225.89	100.00%	159,220.75	100.00%	159,546.23	100.00%	160,267.04	100.00%	160,002.10	100.00%	44,363.51	100.00%	87,059.88	100.00%	0.00	0.00%

Existing Habitat Classes
No Habitat Classes

Note: Percentages represent the size of the area occupied by each habitat class as a proportion of the size of each existing and proposed new area of particular environmental interest. The figures in the "Total Area" column (second from left) represent the total area occupied by each habitat class within the entire Clarion-Clipperton Zone.



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Agenda item 12

Draft regulations for exploitation of mineral resources in the Area

Status of the draft regulations on exploitation of mineral resources in the Area and proposed road map for 2022 and 2023

Report of the Secretary-General

I. Introduction

1. The Council is currently considering draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)), which were prepared by the Legal and Technical Commission and submitted to the Council in 2019 following an iterative process of development and consultation that began in 2011, when the representative of Fiji requested the Council to begin consideration of regulations for the exploitation of mineral resources of the Area ([ISBA/17/C/22](#)). The main steps taken in the preparation of the draft regulations from 2011 to 2019 are listed in annex I. Annex II provides a complete list of relevant documents, reports and studies relating to the preparation of the draft regulations.

2. As of July 2020, a complete set of regulations had been prepared by the Commission and submitted to the Council pursuant to article 165, paragraph 2 (f), of the United Nations Convention on the Law of the Sea. The draft regulations are currently under consideration by the Council. The Commission has also prepared the drafts of 10 standards and guidelines to support the implementation of the future regulations. Owing to the impossibility of holding in-person meetings of the Council since February 2020, the Council has not been able to advance its consideration of the draft regulations. The purpose of the present report is to outline a proposed road map and workplan for the Council in 2022 and 2023, with a view to the adoption of the draft regulations and associated phase 1 standards and guidelines by July 2023.

* New dates of the in-person meetings originally scheduled for July 2020.



II. Review of the development process from 2017 to February 2020

3. At the twenty-third session, in 2017, the Council agreed on a timeline for the adoption and approval of the draft regulations by July 2020.¹ At the same session, the Assembly endorsed a revised schedule of meetings for 2018, 2019 and 2020 designed to enable the Commission and the Council to deliver the regulations in accordance with the road map. The revised schedule of meetings envisaged two annual meetings of two weeks each for the Commission and two annual meetings of one week each for the Council.²

4. In accordance with the revised schedule of meetings, the Commission and the Council worked in parallel on the draft regulations during 2018 and 2019. At the twenty-fourth session, in 2018, the Council reiterated its view that the draft regulations should be adopted as a matter of urgency, commended the Commission for the considerable work that it had accomplished and encouraged it to pursue its efforts at its meetings in 2019.³ The Council also provided the Commission with comments on the draft regulatory text under consideration⁴ and initiated a consultation process to enable all stakeholders to submit specific comments in writing for consideration by the Commission.⁵ The Commission reviewed those comments and finalized its recommendations on the draft regulations at its meetings during the first part of the twenty-fifth session.⁶

5. One of the key outcomes of the stakeholder consultation held in 2019 was that many stakeholders agreed that standards and guidelines implementing the draft regulations must be developed in parallel with the regulatory text. Stakeholders also advocated putting in place critical phase 1 standards and guidelines by the time of adoption of the regulations. Such was the importance of that issue that a separate report was prepared for the Council, which included a proposed priority list of standards and guidelines to be developed.⁷ To further support the work of the Commission and the Council, an international workshop on the development of standards and guidelines was held in Pretoria in April 2019 (between the first and second parts of the twenty fifth session).⁸

6. During the second part of the twenty-fifth session, the Council considered the report of the Chair of the Legal and Technical Commission, which incorporated recommendations for the development of standards and guidelines, including the list of documents to be developed under phase 1.⁹ The Council held a discussion on the draft regulations and adopted a decision in which, inter alia, it expressed its intention to ensure the thorough and timely development of the draft regulations, bearing in mind that the necessary standards and guidelines should be developed before the

¹ ISBA/23/C/13, annex.

² In response to a proposal by the Netherlands, the Council decided that the first part of the session of the Council would take place before the meetings of the Legal and Technical Commission, while the second part would take place after the Commission's meetings. In response to the concerns of some delegations about limited financial support for developing countries to attend additional meetings of the Council, a voluntary trust fund was established to support the participation of developing States members of the Council.

³ ISBA/24/C/8/Add.1, para. 7.

⁴ Ibid., annex I.

⁵ The main thematic issues raised in the written submissions were summarized in document ISBA/25/C/2.

⁶ The draft regulations are contained in document ISBA/25/C/WP.1, and an explanatory note by the Commission is contained in document ISBA/25/C/18.

⁷ ISBA/25/C/3, annex.

⁸ See www.isa.org.jm/event/workshop-development-standards-and-guidelines-mining-code.

⁹ ISBA/25/C/19/Add.1, paras. 20–22 and annex.

adoption of the draft regulations, and it requested the Commission to work on standards and guidelines as a matter of priority.¹⁰ The Council also decided that additional written comments on the draft regulations, including specific drafting suggestions, could be sent to the secretariat no later than 15 October 2019, and it requested the secretariat to prepare a compilation of the proposals and observations submitted by members of the Council and a compilation of proposals and observations submitted by other States members of the Authority, observers and other stakeholders, for consideration by the Council at its twenty-sixth session, in 2020.¹¹

7. The first part of the twenty-sixth session of the Council took place in February 2020. The Council resumed its consideration of the draft regulations, which it had commenced at the twenty-fifth session, and considered parts IV, V and VI of the draft and the related annexes IV, VII and VIII. The Council also adopted a decision on working methods to advance discussions on the draft regulations,¹² in which it decided to establish three informal working groups on thematic issues, each to be led by a facilitator, in addition to the existing open-ended informal working group in respect of the development and negotiation of the financial terms of a contract.¹³ The new groups are:

(a) The informal working group on the protection and preservation of the marine environment, facilitated by Raijeli Taga (Fiji);

(b) The informal working group on inspection, compliance and enforcement, facilitated by Janet Omoleegho Olisa (Nigeria);

(c) The informal working group on institutional matters (including the role and responsibilities of the various organs of the Authority, timelines, recourse to independent expertise and stakeholder participation), to be facilitated by a nominee of the Latin American and Caribbean Group.

8. The Council requested the facilitators to report on progress in their work at the following meeting of the Council, in July 2020.

III. Process since March 2020

9. Since February 2020, the Council has been unable to meet in person and, accordingly, no progress has been made in any of the newly established informal working groups. In relation to the work of the open-ended informal working group in respect of the development of the financial terms and negotiation of the financial terms of a contract, a series of informal webinars were held on 9, 11 and 12 June and 28 October 2020, in which the methodology and outcomes of studies relating to a comparative analysis of the financial aspects of deep seabed mining and land-based mining were presented, as requested by the Council.

10. In addition, the secretariat was able to continue its work on the preparation of studies and reports concerning the draft regulations, as requested by the Commission and the Council, respectively. This included the preparation of studies and reports concerning: (a) matters related to insurance; (b) the environmental compensation fund; (c) competencies of the International Seabed Authority and the International

¹⁰ [ISBA/25/C/37](#).

¹¹ All comments and proposals that have been submitted are available on the website of the Authority. A summary of the main thematic elements in the comments is contained in document [ISBA/26/C/2](#). A collation of specific drafting suggestions made by members of the Council is contained in document [ISBA/26/C/CRP.1](#).

¹² [ISBA/26/C/11](#).

¹³ The open-ended working group is chaired by Olav Myklebust (Norway). It has held four meetings so far.

Maritime Organization; (d) the environmental performance guarantee; (e) remote monitoring in the context of inspections; (f) potential impacts on land-based producers; and (g) the application of International Labour Organization instruments to activities in the Area.

11. Concerning the phase 1 standards and guidelines, during 2020 and 2021, the Commission met remotely and developed the following draft standards and guidelines, which were open to comments from stakeholders: (a) guideline on the preparation and assessment of an application for the approval of a plan of work for exploitation; (b) standard and guidelines on the development and application of environmental management systems; (c) standard and guidelines on the form and calculation of an environmental performance guarantee; (d) guidelines for the establishment of baseline environmental data; (e) standard and guidelines for environmental impact assessment process; (f) guidelines for the preparation of an environmental impact statement; (g) guidelines for the preparation of environmental management and monitoring plans; (h) guidelines on tools and techniques for hazard identification and risk assessments; (i) standard and guidelines for the safe management and operation of mining vessels and installations; and (j) standard and guidelines for the preparation and implementation of emergency response and contingency plans. The Commission will review stakeholder comments and finalize its revision of the phase 1 standards and guidelines in September 2021.

IV. Proposed road map for 2022 and 2023

12. By letter dated 25 June 2021, the President of Nauru notified the Council of the intention of Nauru Ocean Resources Inc., a Nauruan entity sponsored by Nauru, to submit an application for approval of a plan of work for exploitation in the Area.¹⁴ In such circumstances, section 1, paragraph 15 (b), of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 requires the Council to complete the elaboration of the rules, regulations and procedures necessary to facilitate the approval of plans of work for exploitation in the Area within two years of the request.¹⁵

13. In order to meet that deadline and to ensure that a robust and holistic regulatory framework is adopted by the Council on or before 9 July 2023, it is clearly necessary for the Council to commit more time and financial resources to accelerate work on the draft regulations.

14. As a preliminary measure, therefore, it is suggested that the Council extend the duration of the two parts of the twenty-seventh session in 2022 from one week to three weeks each, and that the primary focus of its meetings be the draft regulations. As previously agreed, much of the work will take place in informal working groups, with no parallel meetings. In the event that savings could be realized from the overall conference services budget for the financial period 2021–2022, a third part to the Council session in 2022 could also be considered. A proposed meeting schedule for 2022 is provided in annex III.

15. It is expected that the workload of the Commission will be lower in 2022 than in 2021, given that the Commission has completed its work on the phase 1 standards and guidelines, as directed by the Council. It is further envisaged that both the Commission and the Finance Committee will adopt a hybrid meeting format in future, with a combination of virtual and physical meetings, which will facilitate savings on

¹⁴ ISBA/26/C/38, annex I, enclosure.

¹⁵ The effective date of the request being 9 July 2021 (ISBA/26/C/38, annex II), the regulations must be adopted by 9 July 2023.

travel costs. Both organs met virtually throughout 2020 and 2021 and managed to complete their scheduled work efficiently. Although members expressed a strong preference for retaining physical meetings, it was noted that the opportunity to consider and discuss agenda items in advance in a virtual format promoted greater efficiency and could reduce, but not completely eliminate, the need for physical meetings.

16. The budget of the Authority for the financial period 2021–2022 is based on a scenario of eight weeks (42 days) of meetings with full services, which are notionally allocated as follows: Assembly (5 days), Council (12 days), Commission (20 days) and Finance Committee (5 days). Within this overall cap, meeting days can be reassigned among organs. Some of the days allocated to the Commission could therefore be assigned to the Council in 2022, with no financial impact. The planning does not take into account meetings of informal working groups, which may not require full services.

17. For 2023, the meeting schedule is subject to consideration in the context of a budget proposal for the next financial period. This will be formulated in the first quarter of 2022 but will clearly need to include sufficient additional resources for the development of the regulatory framework for activities in the Area.

18. It is likely that additional resources will also be needed for the voluntary trust fund to support the participation of members of the Council from developing States in additional meetings of the Council. On the assumption that the session of the Council is held in three parts in 2022, the estimated additional requirement for the fund would be in the region of \$130,000.

V. Capacity of the secretariat

19. In addition to increasing the duration of meetings to allow members of the Council adequate time for discussion of the draft regulations, the secretariat will also need to increase its capacity to support member States and deliver appropriate regulatory functions.

20. The Secretary-General has already taken steps to increase the capacity of the secretariat to deliver the regulatory functions expected of it under the draft regulations. The first step was to establish the Contract Management Unit, in 2017. The Unit has since evolved into the Compliance Assurance and Regulatory Management Unit, established by the Secretary-General in August 2021. Initially, the functions and responsibilities of the Unit will include processing applications for plans of work for exploration and exploitation, overseeing the activities of contractors, processing the reports, data and information submitted by contractors, reporting to the Commission and the Council and supporting the systematic publication and ongoing review of standards and guidelines. Ultimately, it is expected that it will also manage the inspection mechanism, which is a fundamental requirement of the draft regulations and is also provided for under article 162, paragraph 2 (z), and article 165, paragraph 2 (m), of the Convention. No such capacity currently exists, but the Commission has begun to consider the necessary scope and functions of such a mechanism.

21. In addition to enhancing increased capacity within the secretariat, it is clear that, in order to meet the accelerated timetable to complete the draft regulations by 9 July 2023, an increase in expert legal support will be necessary to ensure that the draft regulations and supporting standards and guidelines are a holistic and robust regulatory package.

Annex I

Timeline of regulatory development from 2011 to 2020

2011	
July	Fiji issued a statement in which it requested the Council to begin consideration of regulations for the exploitation of mineral resources in the Area (ISBA/17/C/22), and the Council requested the secretariat to prepare a strategic workplan for the formulation of regulations for the exploitation of deep-sea minerals in the Area
2012	
July	The Council considered the report of the Secretary-General on the workplan for the formulation of regulations for the exploitation of polymetallic nodules in the Area (ISBA/18/C/4)
2013	
July	The Commission discussed issues relating to proposed regulations for the exploitation of polymetallic nodules in the Area. Members of the Commission acknowledged the work done by the secretariat in producing ISA Technical Study No. 11, entitled “Towards the Development of a Regulatory Framework for Polymetallic Nodule Exploitation in the Area”. The Commission considered that the proposed strategic plan set out in chapter 10 of the study provided a useful indication as to how the Authority could proceed to develop the regulatory framework. The Commission endorsed the suggestion to prepare background studies and conduct a stakeholder survey (ISBA/19/C/14)
	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 and 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 (ISBA/19/C/18)
2014	
February	The Commission considered a detailed technical study on the development of a financial regime for deep-sea mineral exploitation (ISBA/20/C/20)
March	The secretariat launched a stakeholder survey aimed at soliciting relevant information for the development of a regulatory framework for the exploitation of minerals in the Area from members of the Authority and other stakeholders (ISBA/20/C/20)
July	The Commission considered the responses to the stakeholder survey and requested the secretariat to prepare a possible draft framework of the regulations for exploitation (ISBA/20/C/20)
	The 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 (ISBA/20/C/31)
2015	
February	The Commission decided to circulate a draft exploitation framework to all stakeholders, together with a summary of the high-level issues under discussion. In addition, the Commission agreed to circulate a draft action plan flowing from the draft regulatory framework. The Commission agreed to provide to the Council in July 2015 an updated report, including a revised draft framework and revised action plan following the receipt of stakeholder responses to the framework report, together with a summary of priority action areas (ISBA/21/C/16)
June	A stakeholder workshop was held in Singapore in relation to the draft framework and a payment mechanism (see briefing paper 04/2015)

July	The Commission discussed the stakeholder responses to the suggested draft framework, high-level issues and action plan and issued a revised draft framework and action plan, taking account of any material comments by stakeholders (ISBA/21/C/16)
	The Council took note with appreciation of the Commission's work on the framework for the exploitation regulations, requested the Commission to continue its work on exploitation regulations as a matter of priority and endorsed the Commission's list of priority deliverables for the development of the exploitation code over the following 12 to 18 months, as set out in annex III to the report of the Chair of the Legal and Technical Commission (ISBA/21/C/20)
2016	
July	The Commission issued a report containing the first draft regulations and standard contract terms on exploitation for stakeholder consultation ¹
2017	
February	The Commission considered a report by the secretariat containing an overview of stakeholder submissions of the first working draft and continued its review of the draft regulations (ISBA/23/C/13)
March to July	Several technical workshops and seminars held in relation to the draft regulations
August	The Commission prepared revised draft regulations and invited comments from stakeholders (ISBA/23/LTC/CRP.3)
2018	
March	Following stakeholder consultation, the Commission considered revised draft regulations, which included provisions suggested by its working groups. It requested the secretariat to incorporate its suggestions and comments into the text and to produce a further revised version (ISBA/24/C/9)
July	The Commission issued revised draft regulations (ISBA/24/LTC/WP.1/Rev.1)
	The Council responded to the Commission with comments on the revised draft regulations and released the revised draft regulations for stakeholder consultation (ISBA/24/C/8/Add.1, annex I)
December	The secretariat issued a note containing an overview of stakeholders' comments on the draft regulations (ISBA/25/C/2)
2019	
March	The Commission provided the Council with its final recommendations on the draft regulations following stakeholder consultation (ISBA/25/C/WP.1)
July	The Council considered the draft regulations as contained in document ISBA/25/C/WP.1, together with an explanatory note from the Commission (ISBA/25/C/18). The Council invited stakeholders to provide additional comments by October 2019 (ISBA/26/C/2)
2020	
February	The Council considered stakeholders' comments and drafting suggestions and agreed to establish three informal working groups on remaining thematic issues (ISBA/26/C/11)

¹ Available at https://isa.org.jm/files/documents/EN/Regs/DraftExpl/Draft_ExplReg_SCT.pdf.

Annex II

List of relevant documents, reports and studies relating to the draft regulations*

Draft regulations

- Draft regulations on exploitation of mineral resources in the Area, prepared by the Legal and Technical Commission ([ISBA/25/C/WP.1](#))
- Note by the secretariat on draft regulation 30 and draft annex VI to the draft regulations for exploitation of mineral resources in the Area ([ISBA/26/C/17](#))

Draft standards and guidelines

- Draft guideline on the preparation and assessment of an application for the approval of a plan of work for exploitation
- Draft standard and guidelines on the development and application of environmental management systems
- Draft standard and guidelines on the form and calculation of an environmental performance guarantee
- Draft guidelines for the establishment of baseline environmental data
- Draft standard and guidelines for environmental impact assessment process
- Draft guidelines for the preparation of an environmental impact statement
- Draft guidelines for the preparation of environmental management and monitoring plans
- Draft guidelines on tools and techniques for hazard identification and risk assessments
- Draft standard and guidelines for the safe management and operation of mining vessels and installations
- Draft standard and guidelines for the preparation and implementation of emergency response and contingency plans

Other documents

2020

- Decision of the Council concerning working methods to advance discussions on the draft regulations for exploitation of mineral resources in the Area ([ISBA/26/C/11](#))

2019

- Note by the secretariat on implementing the precautionary approach to activities in the Area ([ISBA/25/C/8](#))
- Note by the secretariat on the consideration of a mechanism and process for the independent review of environmental plans and performance assessments under the regulations on exploitation of mineral resources in the Area ([ISBA/25/C/10](#))

* All documents, reports and studies are available on the website of the Authority.

- Note by the secretariat on key terms: distinguishing between good industry practice and best practices under the draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/11](#))
- Draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/18](#))

2018

- Note by the secretariat on the content and development of standards and guidelines for activities in the Area under the Authority's regulatory framework ([ISBA/25/C/3](#))
- Note by the secretariat on the relationship between the draft regulations on exploitation of mineral resources in the Area and regional environmental management plans ([ISBA/25/C/4](#))
- Note by the secretariat on implementing an inspection mechanism for activities in the Area ([ISBA/25/C/5](#))
- Note by the secretariat on the delegation of functions by the Council and regulatory efficiency ([ISBA/25/C/6](#))
- Note by the secretariat on 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 ([ISBA/24/C/10](#))
- Note by the Legal and Technical Commission on the draft regulations on exploitation of mineral resources in the Area ([ISBA/24/C/20](#))

2017

- Note by the secretariat on the draft regulations on exploitation of mineral resources in the Area ([ISBA/23/C/12](#))

Studies, reports and workshop reports

2021

- Massachusetts Institute of Technology, "Update: Report to the International Seabed Authority on the Development of an Economic Model and System of Payments for the Exploitation of Polymetallic Nodules in the Area Based on Stakeholder Feedback"
- ISA Technical Study No. 27, "Study on an Environmental Compensation Fund for Activities in the Area"

2020

- Study of the Potential Impact of Polymetallic Nodules Production from the Area on the Economies of Developing Land-based Producers of those Metals which are Likely to be Most Seriously Affected
- Analysis of Tax Regimes: Comparative Analysis of Tax Regimes of Land-based Mining in 15 Countries
- A Study to Determine the Appropriate Social Discount Rate for the International Seabed Authority
- Developing a Financial Model for Other Deep-sea Minerals

- Study on the Application of International Labour Organization Instruments to Activities in the Area (in preparation)

2019

- Financial Regimes for Polymetallic Nodule Mining: A Comparison of Four Economic Models
- Polymetallic Nodule Valuation
- ISA Technical Study No. 25, “Competencies of the International Seabed Authority and the International Maritime Organization in the Context of Activities in the Area”
- Study on Remote Monitoring Systems in the Context of Exploitation (in preparation)

2017

- ISA Technical Study No. 16: “Environmental Assessment and Management for Exploitation of Minerals in the Area”
- ISA Technical Study No. 17: “Towards an ISA Environmental Management Strategy for the Area”

2015

- Developing a Regulatory Framework for Mineral Exploitation in the Area: A Discussion Paper on the Development and Implementation of a Payment Mechanism in the Area for Consideration by Members of the Authority and all Stakeholders
- Developing a Regulatory Framework for Mineral Exploitation in the Area: Report to members of the Authority and Stakeholders
- Developing a Regulatory Framework for Deep Sea Mineral Exploitation in the Area: Draft Framework, High-Level Issues and Action Plan, version II

2014

- Making the Most of Deep Seabed Mineral Resources: Developing Financial Terms for Deep Sea Mining Exploitation

2013

- ISA Technical Study No. 11, “Towards the Development of a Regulatory Framework for Polymetallic Nodule Exploitation in the Area”

Other sources

In addition to the materials above, the Council has facilitated several rounds of stakeholder consultation with regard to the draft regulations. Details of the stakeholder consultations and of all submissions received are available at www.isa.org.jm.

Annex III

**Provisional schedule of meetings for the twenty-seventh session,
in 2022**

<i>First part (February/March)</i>		
<i>Organ</i>	<i>Duration</i>	<i>Working methods relating to draft regulations</i>
Legal and Technical Commission	1 week	
Council	3 weeks	Open-ended informal working group in respect of the development and negotiation of the financial terms of a contract Informal working group on the protection and preservation of the marine environment Informal working group on inspection, compliance and enforcement Plenary
<i>Second part (July)</i>		
Finance Committee	3 days	
Legal and Technical Commission	1 week	
Council	3 weeks	Working groups (as required) Institutional working group Plenary (standards and guidelines)
Assembly	1 week	
<i>Third part (subject to resources)</i>		
Council	2 weeks	Working groups (as required) Plenary (review of working group outputs)



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Agenda item 17

Report on matters relating to the Enterprise

Report of the Special Representative of the Secretary-General of the International Seabed Authority for the Enterprise

I. Introduction

1. The present report is submitted in keeping with the terms of reference contained in the contract dated 1 April 2021 between the Special Representative of the Secretary-General for the Enterprise, as consultant, and the International Seabed Authority, and it follows the previous report that was submitted to the Council for its session planned for July 2020.¹ The present report covers the period elapsed since the previous report and both reports should be read in conjunction.

2. During the reporting period, in accordance with the terms of reference, the Special Representative performed the functions described below.

II. Activities of the Special Representative

A. Proposed joint venture with Poland

3. In furtherance of the mandate established by the Council and outlined in the terms of reference contained in the contract, the Special Representative wrote to the relevant authorities of Poland on 18 August 2021 in relation to the interest that the Government of Poland had previously expressed in entering negotiations to form a joint venture with the Enterprise. In his letter, the Special Representative recalled the first round of negotiations held in New York in December 2018 on the subject, as well as the expectation of the Council to have a full proposal for a joint venture on its agenda in 2019. He also recalled additional subsequent contact with Polish officials on the matter, and consequently, sought information from the Polish authorities regarding the resumption of negotiations for the conclusion of the joint venture with the Enterprise.

* New dates of the in-person meetings originally scheduled for July 2020.

¹ [ISBA/26/C/15](#).



B. Performance of certain functions of the Enterprise listed in section 2 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

4. The Special Representative is currently drafting managerial and policy options for the administration of the Enterprise at different stages of its operation. While this is a work in progress, the focus is on managerial policy options for the administration of the Enterprise by reference to the current stage and also anticipates what would be required if the recommendations of the Legal and Technical Commission² are adopted by the Council.

C. Comments on documents related to the ongoing work of the Authority

5. During the reporting period, the Special Representative submitted comments on the following documents:

(a) Draft communications and stakeholder engagement strategy of the Authority;

(b) Draft guideline on the preparation and assessment of an application for the approval of a plan of work for exploitation, developed by the Legal and Technical Commission;

(c) Draft standard and guidelines on the form and calculation of an environmental performance guarantee, developed by the Legal and Technical Commission.

D. Participation in conferences, meetings, workshops and other activities

6. During the period covered by the present report, the Special Representative participated in the following events:

(a) National capacity-building workshop, Indonesia, 26–28 January 2021, “Independent operation of the Enterprise: perspectives and challenges”;

(b) International Seabed Authority, Deep Diploma Sea webinar series, 25 March 2021, “Independent operation of the Enterprise: perspectives and challenges”;

(c) International Seabed Authority, third workshop of Africa’s Deep Seabed Resources Project, jointly organized by the African Union, the Norwegian Agency for Development Cooperation and the Government of Mauritius, 1–3 June 2021, “Independent operation of the Enterprise: perspectives and challenges”, and Africa’s involvement in activities in the Area;

(d) High-level political forum on sustainable development, side event entitled “Ensuring the sustainable management and stewardship for the deep seabed and its resource for the benefit of all humanity”, United Nations Headquarters, New York, 13 July 2021;

(e) International Seabed Authority Deep Diploma Sea webinar series, 8 July 2021, “Independent operation of the Enterprise: perspectives and challenges”.

² ISBA/26/C/12, sect. VI.

E. Consultations with regional groups and other entities on the operationalization of the Enterprise

7. During the period covered by the present report, the Special Representative held discussions with representatives of the Latin America and Caribbean Group on various occasions, as well as with representatives of the Group of African States, and with contractors on matters related to the operationalization of the Enterprise. The deliberations were constructive, and the entities indicated their continued support for the early operationalization of the Enterprise and expressed their support and appreciation for the work of the Special Representative.

III. Future action required

8. The Special Representative wishes to reiterate comments made in the previous report on the need for timely action to ensure that the step-by-step approach provided for in the Agreement relating to the implementation of part XI of the Convention on the operationalization of the Enterprise is realized. In order to achieve that objective, the recommendation of the Legal and Technical Commission on the appointment of an interim director general for the Enterprise should be adopted.³ This would enable the Enterprise to:

- (a) Perform the functions of the Enterprise as listed under section 2 of the annex to the Agreement;
- (b) Provide much needed inputs for the development of the regulations on exploitation on an ongoing basis, and not on the current exceptional basis;
- (c) Represent the interests of the Enterprise in annual sessions of the Authority, as well as in other undertakings related to the implementation of part XI of the Convention and the Agreement.

9. The Council is invited to take note of the present report.

³ Ibid.



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Agenda item 20

Other matters

Decision of the Council of the International Seabed Authority concerning the decisions adopted under silence procedure in 2020 and 2021

The Council of the International Seabed Authority,

Recalling the impossibility of convening in-person meetings of the Council during the second part of the twenty-sixth session in 2020 and early 2021 owing to the coronavirus disease (COVID-19) pandemic,

Having agreed that, under those prevailing circumstances, the Council was able to take essential decisions to advance the work of the International Seabed Authority,

Having also agreed to adopt under silence procedure decisions on time-sensitive matters while the COVID-19 pandemic prevents in-person meetings at the headquarters of the Authority,

Recalling that, under the silence procedure, decisions were deemed adopted if no objections were raised within 72 hours from the tabling of the proposal for adoption,

Recalling also that the President of the Council announced the adoption of each decision dealt with under silence procedure by circulating a letter to the members of the Council, which was also posted on the website of the Authority,¹

Stressing that this method was used in exceptional circumstances and does not amount to an amendment to the rules of procedure of the Council,²

Takes note of the following decisions adopted by the Council under silence procedure:

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ All the letters from the President of the Council are available at www.isa.org.jm/node/19713.

² ISBA/C/12.



- (a) Decision of 24 September 2020 concerning the procedure for the adoption of decisions by the Council during the second part of the twenty-sixth session of the Authority owing to the coronavirus disease (COVID-19) pandemic;
- (b) Election, on 1 October 2020, of the President of the Council;³
- (c) Decision of 23 October 2020 concerning the organization of work for the second part of the twenty-sixth session of the Council;
- (d) Adoption, on 13 November 2020, of a schedule and modalities concerning the organization of work for the second part of the twenty-sixth session of the Council;
- (e) Decision of 19 November 2020 concerning the candidate for the election of the Secretary-General;⁴
- (f) Decision of 10 December 2020 relating to an application for approval of a plan of work for exploration for polymetallic nodules submitted by Blue Minerals Jamaica Ltd.;⁵
- (g) Decision of 24 December 2020 relating to the budget of the Authority for the financial period 2021–2022;⁶
- (h) Decision of 11 March 2021 relating to the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts;⁷
- (i) Decision of 30 March 2021 concerning the extension of the term of office of the current members of the Legal and Technical Commission and other related matters;⁸
- (j) Election, on 15 April 2021, of Federico Gabriel Hirsch (Argentina) to fill a seat on the Legal and Technical Commission for the remainder of the term expiring on 31 December 2022;⁹
- (k) Adoption, on 31 May 2021, of the revised agenda of the Council.¹⁰

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6 December 2021*

³ Rear Admiral (retd) Khurshed Alam (Bangladesh) was elected as President of the Council.

⁴ [ISBA/26/C/25](#).

⁵ [ISBA/26/C/27/Rev.1](#).

⁶ [ISBA/26/C/26](#).

⁷ [ISBA/26/C/28](#).

⁸ [ISBA/26/C/30](#).

⁹ See [ISBA/26/C/29](#).

¹⁰ [ISBA/26/C/1/Rev.1](#).



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Agenda item 10bis

Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by Interoceanmetal Joint Organization for extension of a contract for exploration for polymetallic nodules between Interoceanmetal Joint Organization and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 29 March 2001, Interoceanmetal Joint Organization entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 28 March 2021,²

Noting that, on 18 September 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/31](#).

² See [ISBA/22/C/21](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.

⁴ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by Interoceanmetal Joint Organization for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 29 March 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁵ [ISBA/26/C/31](#).

⁶ See [ISBA/21/C/19](#).



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by JSC Yuzhmorgeologiya for extension of a contract for exploration for polymetallic nodules between JSC Yuzhmorgeologiya and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 29 March 2001, JSC Yuzhmorgeologiya entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 28 March 2021,²

Noting that, on 28 September 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/32](#).

² See [ISBA/22/C/22](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.

⁴ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by JSC Yuzhmorgeologiya for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 29 March 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority as mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁵ [ISBA/26/C/32](#).

⁶ See [ISBA/21/C/19](#).



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by the Government of the Republic of Korea for extension of a contract for exploration for polymetallic nodules between the Government of the Republic of Korea and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 27 April 2001, the Government of the Republic of Korea entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 26 April 2021,²

Noting that, on 26 October 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/33](#).

² See [ISBA/22/C/23](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.

⁴ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by the Government of the Republic of Korea for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 27 April 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁵ [ISBA/26/C/33](#).

⁶ See [ISBA/21/C/19](#).



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by Deep Ocean Resources Development Co. Ltd. for extension of a contract for exploration for polymetallic nodules between Deep Ocean Resources Development Co. Ltd. and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 20 June 2001, Deep Ocean Resources Development Co. Ltd. Entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 19 June 2021,²

Noting that, on 3 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/34](#).

² See [ISBA/22/C/25](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.

⁴ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by Deep Ocean Resources Development Co. Ltd. for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 20 June 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁵ [ISBA/26/C/34](#).

⁶ See [ISBA/21/C/19](#).



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Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by the China Ocean Mineral Resources Research and Development Association for extension of a contract for exploration for polymetallic nodules between the China Ocean Mineral Resources Research and Development Association and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 22 May 2001, the China Ocean Mineral Resources Research and Development Association entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 21 May 2021,²

Noting that, on 8 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/35](#).

² See [ISBA/22/C/24](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.



relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

Considering the report and recommendation of the Legal and Technical Commission relating to the application by the China Ocean Mineral Resources Research and Development Association for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 22 May 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁴ ISBA/21/C/19.

⁵ ISBA/26/C/35.

⁶ See ISBA/21/C/19.



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Agenda item 10bis

Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by the Institut français de recherche pour l'exploitation de la mer for extension of a contract for exploration for polymetallic nodules between the Institut français de recherche pour l'exploitation de la mer and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 20 June 2001, the Institut français de recherche pour l'exploitation de la mer entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Recalling also that the contract was extended for a period of five years to 19 June 2021,²

Noting that, on 17 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁴

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/36](#).

² See [ISBA/22/C/26](#).

³ See United Nations, *Treaty Series*, vol. 1836, No. 31364.

⁴ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by the Institut français de recherche pour l'exploitation de la mer for extension of the contract,⁵

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 20 June 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁶
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

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⁵ [ISBA/26/C/36](#).

⁶ See [ISBA/21/C/19](#).



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Agenda item 10bis

Consideration, with a view to approval, of applications for extensions of contracts for exploration

Decision of the Council of the International Seabed Authority relating to an application by the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany for extension of a contract for exploration for polymetallic nodules between the Federal Institute for Geosciences and Natural Resources and the Authority

The Council of the International Seabed Authority,

Acting upon the recommendation of the Legal and Technical Commission,¹

Recalling that, on 19 July 2006, the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany entered into a 15-year contract for exploration for polymetallic nodules with the Authority,

Noting that, on 29 December 2020, the Secretary-General of the International Seabed Authority received an application for a five-year extension of the contract,

Recalling section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,²

Recalling also the decision of the Council of the International Seabed Authority relating to the procedures and criteria for the extension of an approved plan of work for exploration pursuant to section 1, paragraph 9, of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,³

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ See [ISBA/26/C/37](#).

² See United Nations, *Treaty Series*, vol. 1836, No. 31364.

³ [ISBA/21/C/19](#).



Considering the report and recommendation of the Legal and Technical Commission relating to the application by the Federal Institute for Geosciences and Natural Resources,⁴

1. *Decides* to approve the application for extension of the contract;
2. *Requests* the Secretary-General to take the necessary steps to execute the extension of the contract, with effect from 19 July 2021, by signature of an agreement in the form set out in appendix II to the annex to the decision of the Council of the International Seabed Authority mentioned above;⁵
3. *Also requests* the Secretary-General to report to the Council at its next session on the status of the extension agreement.

*266th meeting
6 December 2021*

⁴ [ISBA/26/C/37](#).

⁵ See [ISBA/21/C/19](#).



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Agenda item 14

Report of the Finance Committee

Decision of the Council of the International Seabed Authority relating to financial and budgetary matters

The Council of the International Seabed Authority,

Taking into account the recommendations of the Finance Committee of the International Seabed Authority,¹

Recommends that the Assembly of the Authority adopt the following draft decision:

The Assembly of the International Seabed Authority,

1. *Urges* the members of the Authority to pay as soon as possible their assessed contributions to the budget of the Authority, in full and on time;
2. *Appeals* to members of the Authority with outstanding contributions to the budget of the Authority, including from previous years, to pay them as soon as possible;
3. *Takes note of* the estimated financial and budgetary implications associated with the expected evolution of the Authority in the next 5 to 10 years and the need to ensure that it is equipped with the capacity and resources necessary to fulfil its obligations under the United Nations Convention on the Law of the Sea² and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982;³
4. *Appoints* Ernst & Young as the independent auditor for the Authority for the financial period 2021–2022.

*269th meeting
8 December 2021*

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ [ISBA/26/A/10-ISBA/26/C/21](#) and [ISBA/26/A/10/Add.1-ISBA/26/C/21/Add.1](#).

² United Nations, *Treaty Series*, vol. 1833, No. 31363.

³ *Ibid.*, vol. 1836, No. 31364.





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Agenda item 13

Report of the Chair of the Legal and Technical Commission on the work of the Commission at its twenty-sixth session

Decision of the Council of the International Seabed Authority relating to the reports of the Chair of the Legal and Technical Commission

The Council of the International Seabed Authority,

Recalling its decision [ISBA/25/C/37](#),

1. *Takes note* with appreciation of the reports of the Chair of the Legal and Technical Commission on the work of the Commission at the first and second parts of its twenty-fifth session¹ and of the note by the Commission on draft regulations on exploitation of mineral resources in the Area;²
2. *Also takes note* with appreciation of the reports of the Chair of the Legal and Technical Commission on the work of the Commission during its twenty-sixth session;³
3. *Welcomes* the continued work of the secretariat and the Commission on standards and guidelines as a matter of priority and highlights that the draft standards and guidelines still require in-depth discussion and further work in order to develop them into requirements for submitted plans of work;
4. *Emphasizes* that any standards, draft environmental goals, objectives and principles require discussion and adoption by the Council;
5. *Expresses* its intention to make every effort to ensure the thorough and timely development of the regulations, bearing in mind that necessary standards and guidelines should be developed in parallel and be consistent with the finalization of the regulations as a package;
6. *Underlines* the need for further interactive discussion during the meetings of the Council on the draft regulations, welcomes the proposals and observations

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ [ISBA/25/C/19](#) and [ISBA/25/C/19/Add.1](#).

² [ISBA/25/C/18](#).

³ [ISBA/26/C/12](#), [ISBA/26/C/12/Add.1](#) and [ISBA/26/C/12/Add.2](#).



presented by member States and observers, and requests the secretariat to produce a version of the regulations collating all relevant comments on the latest draft by member States and observers, as a basis for discussion in the working groups;

7. *Notes with appreciation* the Commission's recommendation of draft phase one standards and guidelines in accordance with the process for the development of standards and guidelines contained in enclosure II of [ISBA/25/C/19/Add.1](#), and notes that a report summarizing feedback, the reasons for the Commission's decisions and translations of the draft phase one standards and guidelines in the official languages of the Authority will be provided to the Council at its next meeting, in 2022;

8. *Also notes with appreciation* the Commission's consideration of annual reports on activities carried out by contractors in 2019 and 2020, and welcomes, in particular, the presentation of well-structured reports complying with the template issued by the Commission by the overwhelming majority of contractors;

9. *Encourages* the contractors to pursue the necessary improvements in their annual reports, in particular the review of how the baseline data were building towards an adequate level to support a robust environmental impact assessment as part of an application for exploitation;

10. *Requests* the Secretary-General to communicate the various issues identified during the Commission's review of the annual reports of contractors to the relevant contractors and sponsoring States and to follow up in writing with those contractors that are repeatedly performing inadequately or incompletely against an approved plan of work or that have indicated that the implementation of the plan of activities will be made conditional on external factors, regardless of the applicable contractual requirements, to request meetings with them and to write to the respective sponsoring States to bring that issue to their attention and request a meeting with them to address it;

11. *Also requests* the Secretary-General to report to the Council on an annual basis, identifying instances of alleged non-compliance and regulatory action in accordance with the United Nations Convention on the Law of the Sea,⁴ the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982⁵ and the regulations on prospecting and exploration, including any monetary penalties to be imposed by the Council, and urges the relevant sponsoring States to provide any information relating to such non-compliance and measures taken to ensure compliance under contracts for exploration, in accordance with article 139 of the Convention;

12. *Welcomes* the progress made towards increasing the transparency of exploration contracts, and requests the Secretary-General to pursue dialogue with contractors who have not yet submitted templates on their plans of work;

13. *Commends* contractors for their efforts in implementing their programme of activities and training programmes in spite of the coronavirus disease (COVID-19) pandemic situation;

14. *Notes* the importance of transparency in the environmental management of the Area, and requests the Commission to review document [ISBA/25/LTC/6/Rev.1](#) and [ISBA/25/LTC/6/Rev.1/Corr.1](#) on recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area to ensure greater consistency in the process of consultation, including the publication of all consultation responses, the publication of the contractor's response to the comments received during the

⁴ United Nations, *Treaty Series*, vol. 1833, No. 31363.

⁵ *Ibid.*, vol. 1836, No. 31364.

consultation process and the publication of the revised environmental impact statement to be submitted to the Commission, and also to refine those recommendations to develop an appropriate framework for the review of activities with potential significant adverse environmental impacts that are proposed for incorporation into a plan of work for exploration;

15. *Takes note* of the study of the potential impact of polymetallic nodule production from the Area on the economies of developing land-based producers of those metals that are likely to be the most seriously affected,⁶ and requests the Commission, with the assistance of the secretariat, to continue to consider the substantive issues identified in the study by the Commission;

16. *Requests* the secretariat to prepare a report for the meetings of the Council in July 2022 concerning the operationalization of the Economic Planning Commission, including its financial implications;

17. *Reiterates* its request to the Commission to recommend to the Council for its approval a standardized approach and a general template for the development and review of regional environmental management plans, taking into account the decision of the Council concerning a standardized approach for the development, approval and review of the regional environmental management plans in the Area,⁷ while taking note of the observations of some States on these matters;

18. *Welcomes* the progress made by the secretariat towards the implementation of the data management strategy of the Authority, including public access to non-confidential data;

19. *Takes note* of the recommendation of the Commission to the Council to recommend to the Assembly the establishment of the position of interim director general,⁸ and agrees to undertake further consultations at the next in-person meeting of the Council, while the mandate of the Special Representative of the Secretary-General for the Enterprise should be extended accordingly until the end of the twenty-seventh session;

20. *Calls upon* contributions to the voluntary trust fund to support the participation of members of the Council of the Authority from developing States in the meetings of the Council to secure the participation of developing States at this critical juncture in the development of the regulatory framework of the Authority;

21. *Encourages* the Commission to hold open meetings, where appropriate, and allow for greater transparency in its work;

22. *Requests* the Secretary-General to report on how confidentiality can be assured with regard to the work of the Commission in a virtual format;

23. *Welcomes* the reports of the Secretary-General on the implementation of the decision of the Council in 2019 relating to the report of the Chair of the Commission,⁹ and notes that these represented the fourth such report of the Secretary-General;

24. *Requests* that the Secretary-General report to the Council on the implementation of the present decision at its twenty-seventh session, in 2022, and that such annual reporting remain on the agenda of the Council as a standing item.

*274th meeting
10 December 2021*

⁶ Available at www.isa.org.jm/files/documents/impactstudy.pdf.

⁷ ISBA/26/C/10.

⁸ ISBA/26/C/12, para. 41.

⁹ ISBA/26/C/3, ISBA/26/C/3/Add.1 and ISBA/26/C/3/Add.2.



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Agenda item 13

**Report of the Chair of the Legal and Technical Commission on
the work of the Commission at its twenty-sixth session**

Decision of the Council of the International Seabed Authority relating to the review of the environmental management plan for the Clarion-Clipperton Zone

The Council of the International Seabed Authority,

Taking into account the recommendations of the Legal and Technical Commission pursuant to article 165, paragraph 2 (e), of the United Nations Convention on the Law of the Sea of 10 December 1982,¹

Taking into account also the recommendations of the Commission on the review of the environment management plan, including on the need to enhance the effectiveness of the network of areas of particular environmental interest,²

Recalling article 145 of the Convention, which requires that necessary measures shall be taken in accordance with the Convention with respect to activities in the Area to ensure effective protection for the marine environment from harmful effects that may arise from such activities,

Recalling also that, pursuant to article 162 of the Convention, the Council has the power to establish the specific policies to be pursued by the Authority on any question or matter within the competence of the Authority,

Recalling further that the review and implementation of regional environmental management plans is a strategic priority for the Authority, as reflected and implemented within the context of the strategic plan³ and the high-level action plan⁴ of the Authority for the period 2019–2023 and the action plan of the Authority in support of the United Nations Decade of Ocean Science for Sustainable

* New dates of the in-person meetings originally scheduled for July 2020 and then July 2021.

¹ United Nations, *Treaty Series*, vol. 1833, No. 31363.

² [ISBA/26/C/43](#).

³ [ISBA/24/A/10](#).

⁴ [ISBA/25/A/15](#) and [ISBA/25/A/15/Corr.1](#).



Development,⁵ which were adopted by the Assembly in 2018, 2019 and 2020, respectively,

Considering that the review of the implementation of a comprehensive environmental management plan at the regional level is one of the measures appropriate and necessary to ensure effective protection of the marine environment of that part of the Area known as the Clarion-Clipperton Zone from harmful effects that may arise from activities in the Area and that such a plan should include provision for the establishment of a representative network of areas of particular environmental interest,

Recognizing the rights under the Convention and the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982,⁶

Recognizing also the rights of those entities that presently hold contracts with the Authority for exploration for polymetallic nodules in the Clarion-Clipperton Zone pursuant to the Convention, the Agreement and the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area,⁷ in particular their security of tenure over areas allocated for exploration, in accordance with their contracts,

Recognizing further that a range of human activities occurring, or potentially occurring, in areas beyond national jurisdiction in the Clarion-Clipperton Zone should be managed according to international law,

Recognizing that the review is the result of comprehensive and robust scientific processes,

1. *Welcomes* the recommendation by the Legal and Technical Commission relating to the review of the environmental management plan for the Clarion-Clipperton Zone as contained in document [ISBA/26/C/43](#);

2. *Notes with appreciation* the progress made in the implementation of the environmental management plan for the Clarion-Clipperton Zone, and approves the designation of four additional areas of particular environmental interest to enhance the effectiveness of the network of areas of particular environmental interest, as described in the annex to this decision;

3. *Notes* that the progress in the implementation of the plan will continue to be monitored and reviewed by the Commission so that its implementation may be further enhanced as more scientific, technical and environmental baseline and resource assessment data are supplied by contractors and other interested bodies;

4. *Encourages* further dialogue with all stakeholders to ensure complementarity with regard to the 13 areas of particular environmental interest, the precise location of which may be reviewed;

5. *Decides* to apply this decision in accordance with the Convention, the Agreement, the Regulations and the terms of the contracts on exploration for polymetallic nodules issued in respect of the Clarion-Clipperton Zone and to evaluate and review, where appropriate, the environmental management plan in the light of future changes to the regulatory framework determining the plan;

6. *Encourages* the conduct of marine scientific research, including in the areas of particular environmental interest, in accordance with article 143 of the

⁵ [ISBA/26/A/4](#).

⁶ United Nations, *Treaty Series*, vol. 1836, No. 31364

⁷ [ISBA/19/A/9](#), [ISBA/19/A/12](#) and [ISBA/20/A/9](#).

Convention, and the dissemination of the results of such research through the Authority;

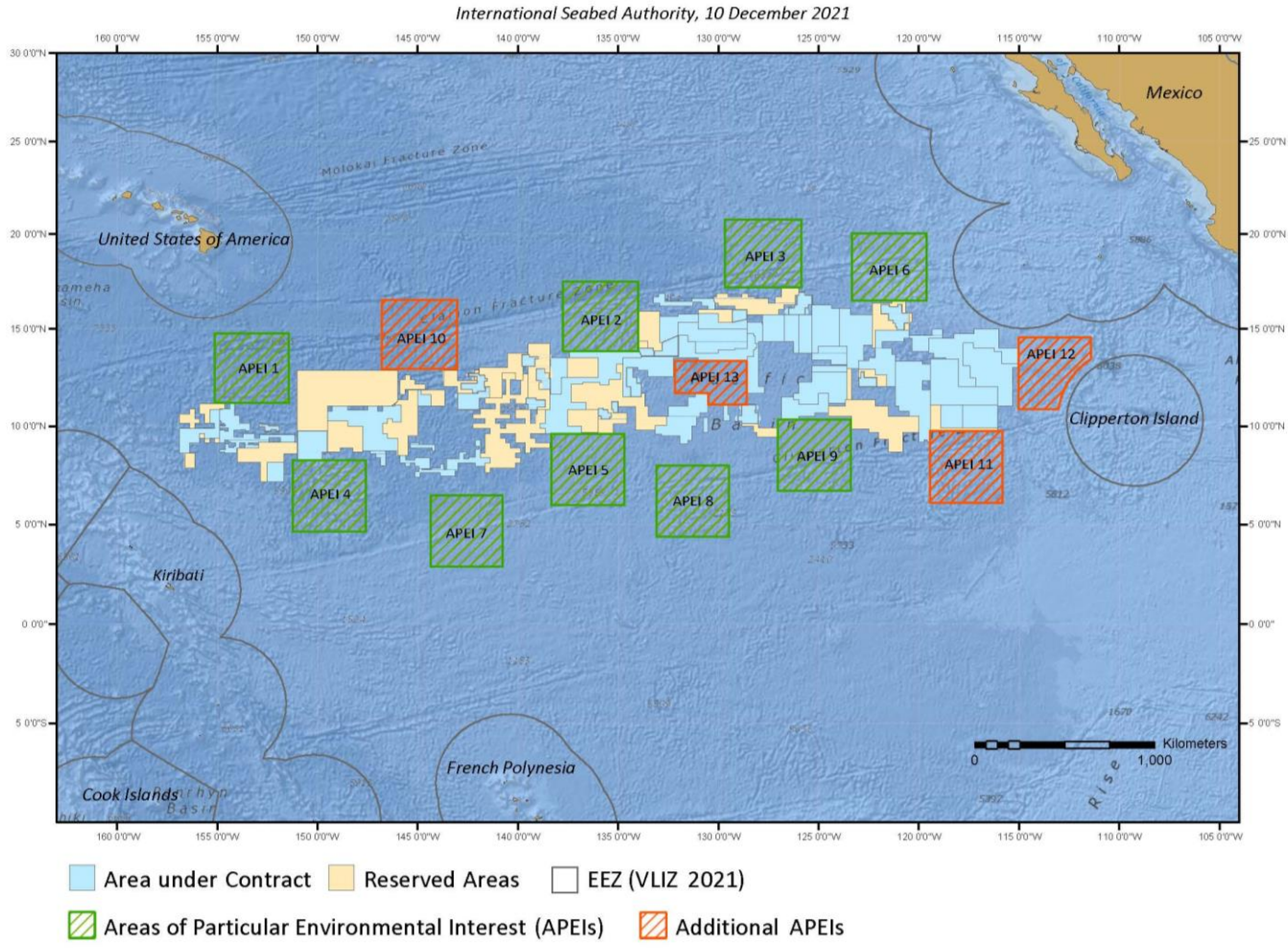
7. *Requests* the Secretary-General of the Authority to continue to take steps to facilitate the capacity development for marine scientific research in the Clarion-Clipperton Zone, including in the areas of particular environmental interest, for the benefit of developing States and technologically less-developed States, including through the Endowment Fund for Marine Scientific Research in the Area and within the framework of the action plan in support of the United Nations Decade of Ocean Science for Sustainable Development;

8. *Also requests* the Secretary-General to communicate this decision as widely as possible, including to members of the Authority, observers of the Authority, contractors and relevant international organizations;

9. *Further requests* the Secretary-General to continue to facilitate the implementation of the environmental management plan for the Clarion-Clipperton Zone, in particular focusing on the further actions identified in table 1 of the report and the recommendation of the Commission.

*274th meeting
10 December 2021*

Exploration areas, areas reserved for the Authority and areas of particular environmental interest in the Clarion-Clipperton Zone



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 Esri, Garmin, GEBCO, NOAA NGDC, and other contributors

Turning-point coordinates of the four additional areas of particular environmental interest

<i>No. of area of particular environmental interest</i>	<i>Turning point</i>	<i>Longitude (W)</i>	<i>Latitude (N)</i>
10	1	-143.02903562	16.51540244
	2	-143.03569098	12.90819823
	3	-146.76934701	12.92150894
	4	-146.76934701	16.51540244
11	1	-119.41500000	9.75000000
	2	-115.82173886	9.75000000
	3	-115.82173886	6.09797525
	4	-119.41500000	6.09797525
12	1	-115.00000000	14.55973692
	2	-111.40673887	14.55973692
	3	-111.40673887	13.42341576
	4	-111.69237261	13.22552848
	5	-111.70006678	13.22006580
	6	-111.70764414	13.21444879
	7	-111.71510144	13.20867985
	8	-111.72243554	13.20276144
	9	-111.72805527	13.19805427
	10	-111.73359705	13.19325935
	11	-111.73905948	13.18837788
	12	-111.74444113	13.18341115
	13	-111.74529520	13.18261015
	14	-111.75433034	13.17389966
	15	-112.17153125	12.75946259
	16	-112.17803583	12.75285234
	17	-112.18440180	12.74611347
	18	-112.19062652	12.73924880
	19	-112.19670745	12.73226116
	20	-112.19870198	12.72985098
	21	-112.19937819	12.72904101

<i>No. of area of particular environmental interest</i>	<i>Turning point</i>	<i>Longitude (W)</i>	<i>Latitude (N)</i>
22		-112.20067299	12.72751926
23		-112.20352212	12.72409647
24		-112.20746902	12.71937727
25		-112.21405850	12.71107310
26		-112.22044878	12.70262037
27		-112.22663640	12.69402367
28		-112.56221479	12.21499694
29		-112.56735339	12.20748540
30		-112.56935049	12.20438235
31		-112.57231324	12.19985801
32		-112.57430346	12.19675077
33		-112.57717256	12.19217014
34		-112.57913822	12.18904695
35		-112.58380799	12.18124520
36		-112.58911951	12.17190996
37		-112.59420459	12.16245356
38		-112.59906042	12.15288130
39		-112.60368428	12.14319857
40		-112.84799418	11.61434722
41		-112.85165849	11.60618591
42		-112.85515842	11.59795480
43		-112.85849262	11.58965713
44		-112.86165982	11.58129613
45		-112.86528725	11.57104003
46		-112.86866345	11.56070089
47		-112.87178648	11.55028471
48		-112.87465458	11.53979750
49		-113.02085257	10.97740552
50		-113.02298127	10.96885631
51		-113.02494094	10.96026774
52		-113.02673084	10.95164307

<i>No. of area of particular environmental interest</i>	<i>Turning point</i>	<i>Longitude (W)</i>	<i>Latitude (N)</i>
	53	-113.02835032	10.94298557
	54	-113.03013487	10.93211755
	55	-113.03165091	10.92120978
	56	-113.03289760	10.91026875
	57	-113.03387420	10.89930094
	58	-113.03740133	10.85321114
	59	-115.00000000	10.85321114
	60	-115.00000000	14.55973692
13	1	-128.58333300	13.33333300
	2	-128.58333300	11.08330000
	3	-130.50000000	11.08330000
	4	-130.50000000	11.66667552
	5	-132.17659413	11.66666700
	6	-132.17659414	13.33333300



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