



Twenty-eight Meeting of States Parties to the United Nations Convention on the Law of the Sea

UN Headquarters, 11-14 June 2018

*Statement by H. E. Michael W. Lodge, Secretary-General, International Seabed Authority under agenda item 9:
Information reported by the Secretary-General of the International Seabed Authority*

11 June 2018

15.00 hrs

CHECK AGAINST DELIVERY

I am grateful to have this opportunity to provide some information to the MSP about the work of the Authority. I cannot hope to cover everything that has been achieved, and in the interests of time I will highlight the issues that are of most concern to the States Parties represented here. I will also refer to three major developments in the Authority's work and draw your attention to some of the main issues for discussion at the twenty-fourth session in July.

Before doing so, I wish to draw your attention to two available documents:

- First is the advance unedited text of the annual report of the Secretary-General pursuant to article 166, paragraph 4, of the Convention. A limited number of copies are available in the room and we have also submitted the document to UN Paper Smart.
- Second is the usual information note on matters before the twenty-fourth session of the Authority. This is available on the Authority's website.

The Extent of the Area

The Area is defined as the seabed and subsoil thereof beyond the limits of national jurisdiction. Establishing the exact geographic limits of the Area thus depends on the delimitation of the limits of national jurisdiction, in other words, the delineation or delimitation of the continental shelf. Pursuant to article 84, paragraph 2, of the Convention, coastal States are obliged to give due publicity to charts or lists of geographical coordinates of points and, in the case of those indicating the outer limit lines of the continental shelf, to deposit a copy of such charts or lists with the

Secretary-General of the Authority. I express appreciation to the eight members which have deposited such charts and lists. I take this opportunity to urge all coastal States to deposit such charts or lists of coordinates as soon as possible, in accordance with the relevant provisions of the Convention.

Membership of the Authority

On issues connected to membership at the Authority, last year I welcomed Azerbaijan as a new member and regarded its accession as a very positive development because only 12 of the 32 LLDCs are not yet party to the Convention and therefore missing out on the provisions in Part XI specifically intended for their benefit. I urge these States to join the Convention and become *ipso facto* members of the Authority.

I do wish also to take this opportunity to remind the Meeting of State Parties that there are still 18 States that have not ratified the Part XI Agreement even though they are parties to the Convention. In this regard, I had circulated a note to all 18 States on 4 April 2018.

I also wish to take this opportunity to remind States Parties to join the Protocol on the Privileges and Immunities of the Authority. There have been notable developments, as Burkina Faso, Jordan and Panama in 2017 and Georgia this year, became parties. As a consequence, the number of parties has increased to 46. While certainly those events are highly positive and commendable, there is clearly a long way to go to ensure that all Members of the Authority become Parties to the Protocol. In view of this, on 2 March 2018, I circulated a note urging State Parties to consider ratifying or acceding the Protocol as soon as possible. This is also in line with the call that the United Nations General Assembly made through its annual resolution on Oceans and the Law of the Sea.

Financial situation of the Authority

Let me return to issue of the financial situation of the Authority and draw your attention to a note that has been circulated in the room on this matter.

I want to remind States Parties that assessed contributions to the budget of the Authority are due and payable by 31 January in each year. In this regard, I want to express my appreciation to those 55 States Parties that have paid their assessed contributions for 2018 in full.

I also want to urge those that have not yet paid in full to do so as soon as possible.

Unfortunately, I need to say a few words about arrears of contributions. In dollar terms, the amount of arrears has regrettably increased from a historic low of \$438,187 to almost \$ 2.7 million, including \$930,000 from prior financial periods. In addition, it is quite disconcerting to see that the number of States that are in arrears of two or more years is rather high and currently stands at 51. Pursuant to article 184 of the Convention, the voting rights of these members are suspended.

This is clearly not a satisfactory situation and I would urge all affected States to rectify this position as soon possible. Last week, I sent a note to the Permanent Missions of those 51 Members urging

them to take prompt action in view of the legal and financial consequences that such situation creates. As indicated in my note, extended arrears have implications not only on the full exercise of membership rights, but also on the overall exercise of the Authority's functions.

It shall be recalled that the UN General Assembly in its Resolution 72/73 and the Authority's Assembly have expressed serious concern about the number of States Parties to the Convention in arrears with their assessed contributions to the Authority and urged Members to fulfil their obligations without delay, in particular those States whose exercise of voting rights has been suspended, and requested the Secretary-General of the Authority to continue his efforts to recover arrears, including bilateral efforts.

My colleagues of the Authority present in this meeting and myself will be talking to delegations during these four days of the meeting to further urge members to fully cover their outstanding contributions.

(Mr/Madame) President,

If you allow me, I would like now to comment to the MSP on three major ongoing developments in the Authority.

Article 154 Review and the Strategic Plan

For the first time in its nearly 25-year history, the Authority undertook a periodic review of the way in which the regime for the Area has operated. The review was carried out under the supervision of a committee of member States chaired by the 2015 President of the Assembly and former Judge of ITLOS, Helmut Tuerk of Austria. The final report of the review committee was presented to the Assembly at its last session in 2017 and resulted in the adoption of a resolution containing over twenty recommendations.

One of the most significant elements of that decision was a request to the Secretary-General to prepare a draft strategic plan for the Authority for consideration by the Assembly at the twenty-fourth session in 2018. This would be the first such strategic plan since the Authority was established in 1994.

I will not go into the content and process concerning the development of the draft Strategic Plan as there would be tomorrow morning at 8.30 am, in this room, a dedicated side event in which I will provide members with a more detailed description of the strategic directions defined by the Plan. In tomorrow's meeting I will present the revised version of the Draft, following comments and submissions received by Members, observers and other relevant stakeholders. The revised version of the draft intends to be consistent with the mandate of the Authority under the Convention and 1994 Agreement, but also takes into account developments since 1994, in particular the goals and targets of the 2030 Agenda and especially those of SDG14. The draft therefore places particular emphasis on regulatory development, environmental protection and the importance of participation by developing countries. I cordially invite all delegations to attend tomorrow's side event. Tomorrow's

event and last week's meeting with Permanent Representatives to the Authority held in Kingston, form part of a regular consultation process initiated in January which I was asked by the Assembly to conduct in the development of the Draft Strategic Plan.

Another important aspect of the recommendations arising from the Article 154 Review was the endorsement of a revised schedule of meetings for 2018 and 2019 in view of the increased workload of the Authority, in particular within the ambit of the Council in light of the ongoing development of the draft exploitation regulations, as well as with a view to seeking maximize the opportunities for improving attendance at meetings of the Assembly. In this regard, the Assembly also asked me to establish a voluntary trust fund for the purpose of defraying the cost of participation of members of the Council from developing States in its second annual meeting. I am pleased to report that the response to this Fund has been rather positive and should enable broad representation in the forthcoming meeting of the Council.

Development of the Mining Code

Over the past four years, we have been making progress on the different elements of the Code.

In August 2017 the Secretariat issued a revised and consolidated draft that was circulated for global stakeholder consultation between August and December 2017. This consolidated draft built on, and incorporated provisions relating to the protection of the marine environment, inspection and regulations for the calculation and administration of a royalty liability. During the final quarter of 2017, the Secretariat engaged experts at the Massachusetts Institute of Technology to develop a working financial and economic model for the Authority in connection with the development of financial terms for future exploitation contracts.

In March 2018, the Council held its first substantive discussion on the draft mining code and made a number of proposals and requests for consideration by the Legal and Technical Commission. This discussion also benefited from a workshop hosted by the Foreign and Commonwealth Office of the United Kingdom and The Royal Society, held in London on 12 and 13 February 2018.

Immediately following the Council, the Commission met for two weeks to consider the requests made by the Council together with the submissions made by members of the Authority and other stakeholders. The result of this is a revised text of the draft regulations that is to be issued for the first time in all official working languages.

I am pleased to announce that the English version of the revised text is available online with the other languages to follow. The revised version is accompanied by an additional document with a commentary for the benefit of the Commission, members of the Authority and other stakeholders. While these documents are to be examined by the Legal and Technical Commission in few weeks, they also provide a "flavour" of what it is likely to be discussed by the Council at its July meeting.

REMPs

The third major development in the Authority's work programme relates to the protection on marine environment, particularly on a process to develop additional regional environmental management plans in the Area.

The Council at its meeting in March of this year decided to endorse a strategy proposed by me for the development of regional environmental management plans – or REMPs – under the auspices of the Authority for key provinces where exploration activities are taking place.

The first REMP for the Area was adopted for the Clarion-Clipperton Zone in 2012. This included the designation for conservation purposes of a network of nine areas of particular environmental interest. At 1.6 million square kilometres in size, these areas actually represent one of the largest applications of an area-based management tool on earth.

Since 2012, the Council has repeatedly called upon the Secretariat of the Authority and the Legal and Technical Commission to progress the development of similar REMPs in other parts of the Area, in particular where contracts for exploration currently exist. These calls have also been reflected in the resolutions of the General Assembly.

That is why is significant that two weeks ago, in Qingdao, China, a scientific workshop was held and co-hosted by COMRA to explore how to develop a REMP in the North-West Pacific, where contractors from China, South Korea, Russia and Japan are carrying out exploration for cobalt crusts. By the end of this month, we will convene another workshop in Szczecin, Poland, to discuss how to develop REMPs for polymetallic sulphides deposits on mid-ocean ridges.

In the long-term, REMPs are envisaged as the primary vehicle for delivery at the regional level of the Authority's environmental objectives. The importance of this project is recognized in the draft strategic plan and we will also be proposing a specific work programme on REMPs in the budget for the financial period 2019-2020.

In addition, these developments are good illustrations as to how the Authority could contribute in the context 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 at the same time, provides an illustration on the importance of not undermining the mandate and work of the Authority.

Contracts for exploration

I am pleased to inform the MSP that, on 27 March 2018, I signed a contract for exploration for cobalt-rich ferromanganese crusts with the Government of Korea. This means that the number of approved plans of work for exploration is now 29.

I wish to congratulate the Republic of Korea on becoming our second contractor to have three plans of work for exploration in the Area covering all the minerals under the current scope of activities managed by the Authority.

Information about the contractors with the Authority, as well as maps showing the location of exploration activities are available on the Authority's website.

Twenty-fourth session of the Authority

That brings me on to the question of the twenty-fourth session of the Authority, which will be held in Kingston from 2 to 27 July. The period from 2 to 13 July will be devoted to meetings of the Legal and Technical Commission. The Finance Committee will meet from 9 to 12 July. A joint meeting between the Finance Committee and the Commission will take place on 13 July, in response to the Council's request that the Commission collaborate with the Finance Committee on matters connected to benefit-sharing, as well as issues related to the draft exploitation regulations, particularly on administrative fees. The Council will meet from 16 to 20 July. On the first day of the Council, MIT experts will update the Council on their work on the financial model. It is expected that the Council will devote particular attention during its meetings to the consideration of a working paper with the revised draft exploitation regulations, as adopted by the Commission. Finally, the Assembly will meet from 23 to 27 July. As State Parties are well aware, the Assembly will also conduct elections for the Council for the period 2019-2022.

In addition, it should be recalled that the Council and the Assembly, based on the recommendations of the Finance Committee, will consider and approve the budget for the biennium 2019-2020, together with the scale of assessments.

Let me also take this opportunity to remind States Parties that the Council at its first meeting in March elected Mr. Olav Myklebust of Norway as its President and also elected the rest of the Bureau. With regards to the Assembly it is the turn of the Eastern European States Group to nominate a candidate for the Presidency. In addition, four vice-presidents would need to be elected. In this connection, it would be very helpful to the Secretariat, and also so as to facilitate the smooth running of the session, if regional groups coordinate on the nominations for these positions in advance of the session.

On other issues, I want to sensitize you to the challenges we are facing with the insufficient amount of funds within the Voluntary Trust Fund for the participation of members of the Finance Committee and the Legal and Technical Commission from developing countries. While there has been a slight improvement, compared to its situation in March, as we had received the very generous contributions from the Governments of Argentina, China and the United Kingdom, the health of the Fund is far from being optimal. As you know, the work of the Commission and the Finance Committee are vital for the proper functioning of the Authority. Full participation of members from developing countries is essential for the legitimacy of the decision-making processes. Therefore, I strongly appeal once more for your generosity to making any financial contribution. In the meantime, I advise to those developing States which had nominated experts to the Committee and

the Commission, if they have not already done so, to submit their requests for assistance from the Fund, with the hope that they could be met in light of the availability of funds. Regrettably, given the current amount, it is likely that not all requests could be granted.

Cooperation with other institutions set up by the Convention and with DOALOS.

I also want to refer to the excellent working relationship between the Authority, DOALOS, ITLOS and the CLCS.

In this regard, on 4 December 2017, at the Office of the Permanent Observer for the Authority to the United Nations, I met with the President and the Registrar of the Tribunal for informal discussions on matters of mutual interest, in particular general administrative and staffing matters.

In addition, I want to express my deep appreciation to DOALOS for their excellent support at the Qingdao workshop on the REMP for crusts. The Authority and DOALOS are working together in a number of initiatives and look forward to collaborate in new ones in the near future.

Relationship with the host Government

Finally, Mr. Chairman, I wish to express my appreciation to our host, the Government of Jamaica, for its sustained support for the Authority over the years.

I am delighted to say that we welcome the Government of Jamaica's commitment to bringing all UN agencies in Jamaica together under one roof at the Authority's headquarters. I will work together with the Finance Committee to promote that the idea comes into fruition in the most convenient way for the Authority and its membership.

I look forward to welcoming all of you to Kingston in July.

-END-