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Report of the interim Director General of the Enterprise

Agenda item 15 of the Council

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Report on activities related to the Enterprise

Submitted by the interim Director General of the Enterprise

I. Introduction

1. The purpose of the present report is to inform the Council and the Assembly of the International Seabed Authority of the activities undertaken and progress made by the interim Director General of the Enterprise during the period July 2024 to May 2025. It follows the first report of the interim Director General, presented during the twenty-ninth session of the Authority in July 2024 ([ISBA/29/A/6-ISBA/29/C/12](#)).

2. In accordance with article 170 of the United Nations Convention on the Law of the Sea and 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 (1994 Agreement), the Enterprise shall be the organ of the Authority that shall carry out activities in the Area directly, as well as the transporting, processing and marketing of minerals recovered from the Area. The Enterprise shall act in accordance with the general policies of the Assembly and shall be subject to the directives and control the Council. It also has the crucial role of facilitating the participation of developing States in activities in the Area. It is to enjoy autonomy in the conduct of its operations when it becomes independent of the secretariat.

3. The Council is reminded that, by virtue of section 2 of the annex to the 1994 Agreement, the secretariat of the Authority shall perform the functions of the Enterprise until it begins to operate independently of the secretariat. The independent functioning of the Enterprise may be triggered by either of two events, namely, receipt by the Council of an application for a joint venture operation with the Enterprise or approval of a plan of work for exploitation for an entity other than the Enterprise. If the trigger event is an application for a joint venture operation with the Enterprise, the Council must consider whether such an operation with the Enterprise accords with “sound commercial principles”. As already underscored in the previous report, neither

* [ISBA/30/A/L.1](#).



the Convention nor the Agreement define what is meant by the phrase “sound commercial principles”. If the Council is satisfied that joint-venture operations with the Enterprise accord with sound commercial principles, it has the obligation to issue a directive for such independent functioning.

II. Functions of the interim Director General

4. It is recalled that the interim Director General assumed his position on 20 January 2024.

5. It is recalled that the functions of the interim Director General are outlined in section 2 of the annex to the 1994 Agreement, namely:

(a) Monitoring and review of trends and developments relating to deep seabed mining activities, including regular analysis of world metal market conditions and metal prices, trends and prospects;

(b) Assessment of the results of the conduct of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental impact of activities in the Area;

(c) Assessment of available data relating to prospecting and exploration, including the criteria for such activities;

(d) Assessment of technological developments relevant to activities in the Area, in particular technology relating to the protection and preservation of the marine environment;

(e) Evaluation of information and data relating to areas reserved for the Authority;

(f) Assessment of approaches to joint venture operations;

(g) Collection of information on the availability of trained manpower;

(h) Study of managerial policy options for the administration of the Enterprise at different stages of its operations.

6. In addition, the interim Director General was mandated, by the Council, the following functions:

(a) To represent the interests of the Enterprise with regard to the development of the regulatory regime for activities in the Area;

(b) To ensure coherence and synergies between the work of the Enterprise and the decisions and regulations agreed upon by the governing bodies of the Authority;

(c) To support the development of projects in cooperation with developing States for improving scientific understanding of the Area;

(d) To prepare draft rules, regulations and procedures for the administration and management of the Enterprise once it begins to function independently of the secretariat of the Authority;

(e) To represent the Enterprise in international meetings, conferences and proceedings, as may be required;

(f) To manage the office of the interim Director General of the Enterprise;

(g) To perform other duties as required.

III. Activities of the interim Director General

A. Participation in discussions on the draft regulations on exploitation of mineral resources in the Area

7. The interim Director General attended the second part of the twenty-ninth session and the first part of the thirtieth session of the Council and participated in negotiations on the draft regulations on exploitation of mineral resources in the Area, in order to provide the Council with the views of the Enterprise on issues relevant to its interests, as well as to make comments and offer textual suggestions in relation to the draft regulations as a whole.

8. Interventions delivered during the two sessions were focused on, among other things, the need to ensure that the draft regulations are consistent with the legal framework governing the Enterprise under Part XI of the Convention and under the 1994 Agreement. It was also emphasized that, although the Enterprise will be subject to the same obligations as private contractors,¹ there are instances where this will not be the case, for example with regard to the equalization measure of the draft regulations, in the light of the provisions of article 10 (2) and (3) of annex IV to the Convention. The interim Director General suggested in that context that the definition of “contractor” for the purpose of the draft regulations needed to reflect the similarities and differences between private contractors and the Enterprise as provided for in the Convention and the Agreement.

9. The interim Director General commented on and further took note of the importance – underscored by several delegations – of properly reflecting the mechanism of “reserved areas” within the draft regulations.

10. Alongside interventions in the plenary of the Council and the negotiations of the draft regulations, the interim Director General also participated, on 16 October 2024, in the intersessional working group on underwater cultural heritage. In addition, and consistent with comments made during the deliberations on the draft regulations on exploitation, the interim Director General also participated in the intersessional working group on an equalization measure on 25 March 2025.

11. In the context of his participation in the plenary of the Council during the first part of the thirtieth session, in March 2025, the interim Director General delivered a statement on the announcement made by The Metals Company, in which it expressed the intention to carry out activities in the Area through an application for a plan of work submitted to a State not party to the Convention. In his interventions, the interim Director General recalled the customary nature of the principle of the common heritage of humankind and the importance of the Enterprise for the full implementation of that principle. He emphasized further that acting outside the exclusive mandate of the Authority would impair the ability of the Enterprise to carry out its mandate.

B. Study of managerial and administrative policy options for the Enterprise

12. It is recalled that, on the basis of the evolutionary approach to the operationalization of the Enterprise, an important part of the functions of the interim Director General is to take the steps necessary to prepare for the independent operation of the Enterprise. A proper managerial structure, in particular a framework

¹ See in particular section 2, para. 4, of the annex to the 1994 Agreement.

of managerial rules, should be in place by the time Enterprise becomes fully independent of the secretariat.

13. On the basis of preliminary research carried out since July 2024, it is the view of the interim Director General that the Enterprise should adopt a structured and policy-driven organizational model aligned with the rules, regulations and procedures of the Authority, consisting of core departments, such as Legal and Security, Economics, Marketing and Research, Operations and Mining, and Environment, Safety, Health and Technology. The structure would be supported by the following five key management functions: planning, organizing, staffing, leading and controlling.

14. The initial documents necessary for the internal administration of the Enterprise, which must adhere to the relevant provisions of the Convention and the 1994 Agreement, must include a guiding policy statement, which should emphasize sustainability, regulatory compliance, innovation and environmental stewardship. Furthermore, a comprehensive set of management policies must be implemented, covering areas such as workplace safety, equal opportunity, conduct, data protection, remote work and conflicts of interest. These policies, which should be detailed in an employee handbook, will serve as the foundation for a transparent, ethical and efficient organizational culture.

C. Monitoring and review of trends in the mining industry

15. During the reporting period, and consistent with its mandate, the interim Director General continued to monitor and review trends and developments relating to deep seabed mining activities and conducted analysis of world metal market conditions and metal prices, trends and prospects. In addition to conducting desktop research on the subject, he accepted the invitation of the Secretary-General of the International Nickel Study Group, the International Copper Study Group and the International Lead and Zinc Study Group to attend the meetings of those intergovernmental organizations, held in Lisbon from 22 to 24 April 2025. The meetings brought together representatives of States, observer organizations and industry and was geared towards promoting increased transparency and international cooperation in a forum where industry, Governments and other entities discuss common problems and objectives in the world metal markets.

16. Participation in the meetings was useful to obtain accurate and timely information on capacities, production, usage, trade, stocks, prices, technologies, research and development and other factors that may influence the supply and demand of metals.

D. Assessment of available data relating to reserved areas

17. The Council should note that, on the basis of the information received from the secretariat, the assessment of available data relating to reserved areas remains the same as that reflected in the previous report. It is noted that no application for exploration in reserved areas was submitted during the reporting period.

E. Funding of the Enterprise and joint venture operations

18. The Council is reminded that, further to the adoption of the 1994 Agreement, States are no longer under the legal obligation to fund one mine site of the Enterprise, which can finance itself only through the other means envisaged in article 11 (1), in particular in subparagraphs (b), (d) and (e) thereof, of annex IV to the Convention.

19. At the present stage, it is emphasized that, in accordance with the above-mentioned article 11 (1) (b), the Enterprise can access voluntary contributions made by States Parties for the purpose of financing activities of the Enterprise. Initial discussions were held with a few members of the Authority on this matter on the margins of the first part of the thirtieth session.

20. Among the above-mentioned sources of funding, the most relevant and the most capable of providing the Enterprise with a stable source of income is, in theory, the option under the above-mentioned article 11 (1) (d), namely, income of the Enterprise from its operations. Nevertheless, this source of funding would be available only when the Enterprise becomes independent of the secretariat as, pursuant to section 2, paragraph 2 of the annex to the 1994 Agreement, the Enterprise is required to conduct its initial deep seabed mining operations through joint ventures.

21. The interim Director General continues to assess potential approaches to joint venture arrangements, in keeping with section 2, paragraph 1 (f), of the annex to the 1994 Agreement. In this regard, it is recalled that a total of 11 contractors, upon submission of a plan of work for exploration, selected the option to offer the Enterprise an interest in a future joint venture in lieu of contributing a reserved area to the Authority.

22. To that end, from 19 to 31 July 2024, the interim Director General met with eight sponsoring States and a number of contractors during the second part of the twenty-ninth session, to discuss the prospects of entering a joint venture. In January 2025, letters were sent to contractors and sponsoring States on the subject. A significant number of them responded, indicating in their replies that they saw possibilities of such an arrangement in the future. However, some of them highlighted uncertainty in the adoption of the regulations on exploitation as a concern moving forward. During the first part of the thirtieth session, the interim Director General met with additional sponsoring States and contractors to engage in further dialogue on establishing a joint venture. In some cases, those meetings were followed up with virtual meetings.

23. The Council should note further that, following virtual meetings, by a letter dated 28 January 2025, Impossible Metals, Inc., conveyed a statement of interest for a joint venture with the Enterprise. Additional information of a concrete nature on this matter will be forthcoming, and the Council will be informed and its guidance sought on the way forward.

F. Transfer of technology

24. It is recalled that, further to the adoption of the 1994 Agreement, there is no longer any obligation to transfer technology to the Enterprise. Under section 5, paragraph 1 (a), of the annex to the Agreement, the Enterprise and developing States seeking deep seabed mining technology must “obtain such technology on fair and reasonable commercial terms and conditions on the open market, or through joint-venture arrangements.” The Council was reminded of this issue, and language was proposed to ensure that it is adequately reflected in the draft regulations on exploitation.

25. With regard to technology, work to assess and obtain information continues, including through desktop studies. On 16 July 2024, together with the Office of Environmental Monitoring and Mineral Resources of the secretariat, the Enterprise co-hosted its first side event, on the margins of the second part of the twenty-ninth session, dedicated to the importance of technology to ensuring the sustainable use of resources in the Area. A second side event was held on 18 March 2025, on the margins of the first part of the thirtieth session. The event, co-organized with Impossible

Metals, was focused on artificial intelligence-driven robotics technology for the environmentally sustainable collection of nodules.

G. Participation in annual contractors meeting

26. The interim Director General participated in the seventh annual contractors meeting, held from 30 September to 2 October 2024 in Busan, Republic of Korea, and hosted by the Korea Institute of Ocean Science and Technology. The meeting brought together contractors and officials of the secretariat of the Authority, as well as representatives of the Institute.

27. The interim Director General presented information on the mandate of the Enterprise and on the opportunities available to contractors for collaboration and cooperation with it, in accordance with the relevant provisions of the Convention and the 1994 Agreement. The presentation included references to access to reserved areas, to the financial provisions governing the Enterprise and to the measures concerning the independent operation of the Enterprise.

28. The agenda of the meeting also included a field trip showcasing deep sea science and technology, organized by the South Sea Research Institute.

H. Cooperation and capacity-building

29. One of the priorities of the interim Director General is to foster further cooperation with interested stakeholder. Such cooperation is essential for the purpose of enhancing the capacity of the Enterprise, for example, in terms of personnel training. In line with this approach, on 11 December 2024, a letter of cooperation was concluded with the British Institute of International and Comparative Law, an institution that was granted observer status by the Assembly in July 2024 (see [ISBA/29/A/15](#)). The letter of cooperation is focused on areas of cooperation, including capacity-building programmes and tailored training programmes to enhance understanding of processes, on policy development and environmental practices relating to deep seabed mining and marine conservation, among other shared priorities, as well as on research on environmental liability mechanisms.

30. A further meeting with the Institute was held on 29 January 2025, to discuss the way forward for implementing the provisions of the letter of cooperation. The Council is informed that, to date, cooperation between the Institute and the Enterprise has resulted in, inter alia, the awarding of a scholarship to a research assistant, Ciaron Walker, to pursue an online course on foundations of public international law.

I. Other activities

31. On 30 January 2025, the interim Director General of the Enterprise wrote to SubCom, LLC, on a matter related to the laying of submarine cables in the Clarion-Clipperton Zone. This was done on the basis of the rights of the Enterprise to conduct activities in the Area under article 170 of the Convention, article 3 of annex III to the Convention and section 2 of the annex to the 1994 Agreement. Accordingly, the interim Director General of the Enterprise should also be notified when activities of this nature are being planned.

32. On the margins of the first part of the thirtieth session, the interim Director General of the Enterprise accepted invitations to participate in the first meeting of sponsoring States, which was organized by the Secretary-General of the Authority, as well as a briefing for contractors.

IV. Final remarks and recommendation

33. The Council and the Assembly are invited to take note of the present report.
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