



Council

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Kingston, Jamaica
5-16 August 2002

Statement of the President on the work of the Council at the eighth session

1. The eighth session of the International Seabed Authority was held at Kingston, Jamaica, from 5 to 16 August 2002.

Adoption of the agenda

2. At its 78th meeting, on 5 August 2002, the Council adopted the agenda for the eighth session (ISBA/8/C/1).

Election of the President and Vice-Presidents of the Council

3. At the 79th meeting, on 7 August 2002, Fernando Pardo Huerta (Chile) was elected President of the Council for 2002. Subsequently, following consultations in the regional groups, the representatives of India (Asian Group), Gabon (African Group), Germany (Western European and Others Group) and Poland (Eastern European Group) were elected as Vice-Presidents.

Budget of the Authority for the financial period 2003-2004 and scale of assessments for contributions of members of the Authority

4. The Council considered the proposed budget for the Authority for the financial period 2003-2004 as contained in the report of the Secretary-General (ISBA/8/A/6-ISBA/8/C/2). In reviewing the proposed budget, the Council took into account the recommendations of the Finance Committee as contained in its report of 9 August 2002

(ISBA/8/A/7/Rev.1-ISBA/8/C/3/Rev.1). The Council recommended to the Assembly for adoption the budget of the Authority for the financial period 2003-2004 in the sum of US\$ 10,509,700. With respect to the scale of assessments for contributions of members to the administrative budget, the Council recommended that the Assembly authorize the Secretary-General to establish the scale of assessments in accordance with the recommendation of the Finance Committee. With respect to the issue of modalities for financing the participation of members of the Legal and Technical Commission in meetings of the Commission, the Council also recommended to the Assembly that it request the Secretary-General to establish, as an interim measure, a voluntary trust fund for the purpose of defraying the cost of participation of members from developing countries and requested the Finance Committee to consider the matter further at its next session, including the possibility of making provision from the administrative budget. The decision of the Council relating to the budget of the Authority and related matters is contained in document ISBA/8/C/5.

Report of the Legal and Technical Commission

5. At its 84th meeting, on 14 August 2002, the Council received the report of the Chairman of the Legal and Technical Commission on the work of the Commission during the eighth session (ISBA/8/C/6). The Council noted the contents of the report. Members of the Council also expressed their appreciation to the Legal and Technical Commission for its decision to

open its meetings relating to proposed regulations on polymetallic sulphides and cobalt-rich crusts to observers. The Council furthermore took note of the evaluation of the annual reports of contractors carried out by the Legal and Technical Commission and noted the Commission's proposals to make its work more efficient in future sessions.

Considerations relating to the regulations for prospecting and exploration for polymetallic sulphides and cobalt-rich crusts in the Area

6. As agreed at the seventh session, the Council took up the matter of considerations relating to the regulations for prospecting and exploration for polymetallic sulphides and cobalt-rich crusts in the Area. The Council held informal meetings on 12, 14 and 15 August 2002 to discuss further the issues contained in the paper prepared by the secretariat for the seventh session (ISBA/7/C/2) in the light of a seminar that had taken place on 7 August 2002 and in the light of the consideration of the matter by the Legal and Technical Commission.

7. The Council noted that the Legal and Technical Commission had only just begun its consideration of the proposed regulations and would be continuing its work both intersessionally and during the ninth session. In that regard, it was noted that the Commission had requested the secretariat to provide it with a more extensive set of draft regulations. Members of the Council expressed appreciation for the seminar presented by the secretariat on 7 August 2002 and noted that it had been a very useful means of disseminating technical information on the subject. A number of important considerations could be drawn from the seminar and from the discussions in the Council. The Council noted the need for a flexible approach to the formulation of regulations for prospecting and exploration, particularly in view of the lack of scientific knowledge relating to deep sea ecosystems. It was also clear that polymetallic sulphides and cobalt-rich crusts were different from polymetallic nodules as well as distinct from one another. Particular ecological considerations arose with respect to polymetallic sulphides located at active hydrothermal vents. For those reasons members of the Council were in favour of different sets of regulations for the two resources and proposed taking a cautious approach to their formulation. At the same time, it was noted that any regulations must be consistent with the

overall scheme contained in the Convention, the Agreement and the existing regulations relating to polymetallic nodules. From the point of view of potential investors, the most difficult issues would be how to determine the size of the area for exploration so as to make exploration commercially viable while avoiding monopoly situations. The system for the Area also had to be competitive with regimes established for areas within national jurisdiction.

8. The Council decided to keep the matter under consideration at its next session, in parallel with the formulation of draft regulations by the Legal and Technical Commission.

Next meeting of the Council

9. The next meeting of the Council will be held from 28 July to 8 August 2003.