



Council

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Summary report of the President of the Council of the International Seabed Authority on the work of the Council during the twentieth session

1. The twentieth session of the International Seabed Authority was held in Kingston from 15 to 23 July 2014.

I. Adoption of the agenda

2. At its 193rd meeting, on 15 July 2014, the Council adopted the agenda for its twentieth session, as contained in document [ISBA/20/C/1](#).

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

3. At its 193rd meeting, on 15 July 2014, the Council elected Ambassador Tommo Monthe (Cameroon) as President of the twentieth session of the Council. Subsequently, following consultations in the regional groups, the Council elected as Vice-Presidents the representatives of Bangladesh (Asia-Pacific States), Czech Republic (Eastern European States), Netherlands (Western European and other States) and Argentina (Latin American and Caribbean States).

III. Report of the Secretary-General concerning the credentials of members of the Council

4. At the 199th meeting, on 21 July 2014, the Secretary-General of the Authority informed the Council that, as at 21 July 2014, credentials had been received from 34 members of the Council. It was noted that, in accordance with the system agreed for the allocation of seats among the regional groups at the first session of the Council, Italy, on behalf of the Western European and other States, would participate in the meetings of the Council in 2014 without the right to vote. In 2015 it would be the turn of the African States to participate in the meetings of the Council without the right to vote.



IV. Election to fill a vacancy on the Legal and Technical Commission

5. At its 193rd meeting, on 15 July 2014, the Council elected Juan Pablo Paniego (Argentina), Carlos Roberto Leite (Brazil) and Michelle Walker (Jamaica) to fill the vacancies on the Legal and Technical Commission left by the resignations of Víctor Enrique Marzari (Argentina), Kaiser Gonçalves de Souza (Brazil) and Laleta Davis-Mattis (Jamaica), respectively, for the remainder of their terms of office.

V. Report on the status of prospecting and of contracts for exploration, periodic review and overhead charges

6. At its 194th meeting, on 16 July 2014, the Council considered reports on the status of prospecting and of contracts for exploration ([ISBA/20/C/12](#)), and of consultations regarding the implementation of decision [ISBA/19/A/12](#) of the Assembly on overhead charges ([ISBA/20/C/12/Add.1](#)). The Council was informed that the Federal Institute for Geosciences and Natural Resources had submitted two annual reports in December 2013 and February 2014, respectively, on its prospecting for polymetallic sulphides in the area of the Southern Central Indian Ridge and the Northern Southeast Indian Ridge. As at 24 June 2014, the Authority had concluded 12 contracts for exploration for polymetallic nodules, 3 for exploration of polymetallic sulphides and 2 for cobalt-rich ferromanganese crusts, thus bringing to 17 the number of exploration contracts issued by the Authority, and meanwhile, two plans of work approved in 2012 are still pending for signature of contracts. As for the consultations regarding the implementation of the decision of the Assembly on overhead charges, the Council noted that, as at 31 May 2014, Deep Ocean Resources Development Ltd., G-TEC Sea Mineral Resources NV, Tonga Offshore Mining Limited and the Federal Institute for Geosciences and Natural Resources had agreed in writing to amend their existing contracts to include the new standard clauses on overhead charges; the Japan Oil, Gas and Metals National Corporation, the China Ocean Mineral Resources Research and Development Association and the Government of the Republic of Korea had signed contracts in 2014 containing the new standard clauses; and negotiations were continuing with the Institut français de recherche pour l'exploitation de la mer and Marawa Research and Exploration Ltd.

7. Some delegations urged the Authority to revisit the regulations on prospecting to make them more attractive and possibly more binding. Some delegations expressed concern about the fact that some contractors had not yet accepted the new standard clauses on overhead charges and requested the Secretary-General to find ways to ensure that the decision of the Assembly on overhead charges is implemented on the same footing. The delegation of France indicated that “positive consultations” had taken place between the Institut français de recherche pour l'exploitation de la mer and the secretariat and that arrangements would be made to sign the pending contract by the end of the year. Some delegations enquired about what would happen to the information collected from contractors; in response, the Secretary-General emphasized that information from the various contractors was not standardized and was therefore difficult to merge.

VI. Consideration and approval of the recommendations of the Legal and Technical Commission relating to applications for approval of plans of work for exploration

8. At its 199th meeting, on 21 July 2014, the Council considered, in the same order as the Commission considered, seven reports and recommendations of the Legal and Technical Commission respectively relating to the applications for approval of plans of work for exploration for the three main categories of seabed mineral resources. These were: application for exploration for cobalt-rich ferromanganese crusts submitted by the Russian Federation (ISBA/20/C/4), application for polymetallic nodules submitted by UK Seabed Resources Ltd. (ISBA/20/C/5), application for polymetallic sulphides by the Government of India (ISBA/20/C/6), application for polymetallic nodules by Ocean Mineral Singapore Pte Ltd. (ISBA/20/C/7), application for polymetallic sulphides by the Federal Institute for Geosciences and Natural Resources (ISBA/20/C/16), application for polymetallic nodules by Cook Islands Investment Corporation (ISBA/20/C/18) and application for cobalt-rich crusts by Companhia de Pesquisa de Recursos Minerais (ISBA/20/C/17).

9. At the same meeting, the Council, on the recommendation of the Legal and Technical Commission, approved all seven of the above-mentioned plans of work for exploration in the Area, designated reserved areas where appropriate, and requested the Secretary-General to issue the plans of work in the form of contracts between the International Seabed Authority and each of the applicants, respectively (ISBA/20/C/24, ISBA/20/C/25, ISBA/20/C/26, ISBA/20/C/27, ISBA/20/C/28, ISBA/20/C/29 and ISBA/20/C/30).

10. During consideration of the applications, many delegations expressed their satisfaction with the progress made by the approval of the seven new plans of work in the Area. Some delegations suggested that the Commission look into ways to rectify the potential problem of overlapping applications resulting from lack of knowledge about the Area requested by other applicants; the suggestion was echoed by two other delegations.

VII. Report of the Chair of the Legal and Technical Commission

11. At its 196th to 201st meetings, held on 17, 18, 21 and 23 July 2014, the Council considered the summary report of the Chair of the Legal and Technical Commission on the work of the Commission during the twentieth session (ISBA/20/C/20). The report covered activities of the contractors, including the status of prospecting and of contracts of exploration, consideration of the annual reports of contractors, the periodic review of implementation of plans of work for exploration for polymetallic nodules, extension of contracts for exploration and implementation of training programmes and allocation of training opportunities. It also covered the Commission's work in respect of applications for approval of plans of work for exploration in the Area, preparation of draft regulations for exploitation in the Area, status of implementation of the environmental management plan for the Clarion-Clipperton Zone, conflict of interest of Commission members and the future data-management strategy of the Authority. The Chair also reported on matters referred to the Commission by the Council, including analysis of regulation 11.2 of

the Regulations on Prospecting and Exploration for Polymetallic Nodules and Polymetallic Sulphides in the Area, issues relating to monopolization of activities in the Area and issues relating to the operation of the Enterprise, in particular on the legal, technical and financial implications for the Authority and for States parties.

12. Many delegations commended the positive developments with regard to the annual reporting by contractors and called upon all contractors to comply fully with their contractual obligations and, in particular, to pay attention to the issues raised and recommendations made by the Commission on the annual reports of the contractors. A number of delegations urged the Commission to review and update, as necessary, the recommended template for annual reports, taking into consideration the anticipated increase in contracts for exploration and the current workload of the Commission and the secretariat. Delegations urged the Commission, when evaluating the annual reports of the contractors and applications for approval of plans of work in the Area, to continue to provide as full an evaluation as possible, taking into account the confidentiality of information received. Many delegations requested the Commission, in its report and recommendations to the Council relating to an application for a plan of work for exploration, accompanied by a certificate of sponsorship, to indicate whether the sponsoring State has adopted a domestic regulatory framework governing the plan of work for exploration or is developing such framework. Delegations suggested that the Authority encourage contractors to pursue greater levels of collaboration, by sharing manpower and resources among themselves, inter alia, on standardization and taxonomy, environmental and oceanographic studies, cruises and campaigns at sea, acquiring, processing and interpreting geophysical, geological and geochemical data, metallurgical processing and technology-related issues, publishing research in peer-reviewed journals, and on data analysis of economic feasibility.

13. In discussing the training programmes and capacity-building for developing States, several delegations welcomed the decision by the Commission to streamline the trainee selection and approval process. Many delegations expressed their support for the suggestion made by the delegation of Uganda that the Authority hold workshops in landlocked States to create a greater awareness of the work of the Authority. Support was also expressed for the idea of convening workshops for priority issues. The Commission was further requested to examine ways to ensure that training opportunities would effectively take into consideration the interests and needs of developing States, in particular the landlocked and geographically disadvantaged States and the small island developing States. A number of delegations urged contractors to take into consideration the suggestions set forth in the recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration, in order to provide for the training equivalent of at least 10 trainees during each five-year period of the contracts.

14. A number of members and observers contributed to the debate on the extension of contracts for exploration. Delegations expressed their support for the plan to formulate draft procedures and criteria for applications for extension of contracts as a matter of priority. Some delegations wondered whether guidelines and procedures for contract extension were clear. Some delegations stated that, in considering applications for contract extension, the Commission should have sufficient information supplied by the contractor, as set out in paragraph 11.2 of the standard clauses for exploration contracts. Some delegations emphasized that, while

recognizing that there was no automatic extension of the contract, the efforts by the contractors over the past decade must also be recognized; extension of the contract by no means implied negotiation of a new contract, nor did it imply that the contractors must have completed their preparatory work to proceed to the exploitation phase.

15. With regard to the draft regulations for exploitation in the Area, delegations welcomed the progress made by the Commission on the preparation of draft regulations for exploitation in the Area and urged the Commission to continue to work on the issue as a matter of priority. Many delegations requested the secretariat to share its draft framework with member States and other stakeholders of the Authority as soon as possible after its February 2015 meeting, and to establish a mechanism for providing the Commission with early feedback on the framework. Some delegations called for the Commission to make available to all Member States and other stakeholders of the Authority, a general analysis and evaluation of the results of the stakeholder survey, taking into account the confidentiality of the information received. Some delegations urged Member States, in particular developing States and sponsoring States, as well as contractors and other stakeholders of the Authority that have not responded to the survey, to consider doing so as a matter of urgency. A number of delegations expressed their appreciation for the submission by the Netherlands of a proposal to incorporate an environmental management planning in the regulatory framework for mineral exploitation in the Area and requested the Commission to consider that submission in the context of its work on the preparation of draft regulations for exploitation in the Area. It was also suggested that the secretariat convene a workshop, open to broad participation by all relevant stakeholders, to support development of the draft regulations for exploitation prior to the twenty-first session. The Authority was also encouraged to strengthen collaboration with global networks of relevant experts in fields relevant to its activities, particularly for the purpose of drafting the exploitation regulations.

16. Delegations also discussed the issue of “transparency and openness” as an essential element of the work of the Commission and the Authority as a whole. Many delegations commended the Commission for its decision to hold an open session, on 15 July 2014, to review the status of the implementation of the environmental management plan for the Clarion-Clipperton Zone. Strong interest was expressed in increasing transparency and dialogue on the development of the Commission’s work. Many delegations recommended that the Commission continue to explore initiatives, including the holding of open meetings and publishing surveys, in particular on issues of general interest to member States and other stakeholders of the Authority, with a view to ensuring broad participation on those initiatives.

17. Several delegations commended the work being undertaken by the secretariat to develop a global deep seabed database and the decision by the Commission to keep the important topic of data management as a regular item on its agenda, and supported the recommendations and observations made by the Commission in that regard, while also suggesting that the secretariat explore alternatives to ensure the compatibility of the database with other relevant international databases.

18. Some delegations recalled that the Council, at its nineteenth session, had decided to request the Commission to review the provisions of the three sets of

regulations on prospecting and exploration relating to the option of offering an equity interest in a joint venture arrangement, with a view to aligning all three sets of regulations in that respect, and to make a recommendation thereon for consideration by the Council. They suggested that the Council request the Commission to make such a recommendation for consideration by the Council at its next session.

VIII. Consideration and adoption of the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area

19. Extensive discussions were also conducted on the issues relating to monopolization of activities in the Area, the operation of the Enterprise, effective control by the sponsoring State and conflict of interest of members of the Commission. It was suggested that the Secretary-General provide preliminary guidance on the enforcement of rules relating to conflict of interest and confidentiality, as provided for in rule 13 of the rules of procedure of the Commission, for the consideration of the Council, and to maintain the Council fully informed of any issues that might arise in relation to possible financial interests by members of the Commission on activities relating to exploration and exploitation in the Area.

20. At its 201st meeting, on 23 July 2014, the Council adopted a decision relating to the summary report of the Chair of the Legal and Technical Commission as contained in [ISBA/20/C/31](#).

IX. Consideration and adoption of the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area

21. At its 198th meeting, on 18 July 2014, the Council considered the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area, as recommended by the Legal and Technical Commission. The Council adopted the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area in its decision [ISBA/20/C/22](#).

22. At its 198th meeting, on 18 July 2014, the Council considered the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, as recommended by the Legal and Technical Commission. With a view to aligning the regulation on monopolization of the Regulations on nodules with that of the Regulations on sulphides and of the Regulations on cobalt-rich crusts, the Council adopted decision [ISBA/20/C/23](#), by which regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area was amended by the insertion of a new paragraph immediately following paragraph 6 and the renumbering of paragraphs 7 to 11 of the Regulations accordingly.

X. Report of the Finance Committee

23. At its 195th meeting, on 17 July 2014, the Council considered the report of the Finance Committee (ISBA/20/A/5-ISBA/20/C/19) and recommended that the Assembly of the Authority adopt a budget of \$15,743,143 for the Authority's operations for the financial period 2015-2016. The decision of the Council relating to the budget of the Authority for the financial period 2015-2016 and related matters is contained in document ISBA/20/C/21.

24. The Council expressed its appreciation to the Governments of Mexico, the United Kingdom of Great Britain and Northern Ireland and the Republic of Korea for their contribution to the Endowment Fund, and to the Governments of Japan, Norway and China for their contribution to the Voluntary Trust Fund.

25. Support was voiced for the idea of establishing the International Seabed Authority Museum. It was suggested the idea be kept under review and that the Secretary-General prepare a report for the consideration by the Council outlining the objectives of establishing such a museum and how they would be achieved.

XI. Status of national legislation

26. At its 194th meeting, on 16 July 2014, the Council considered the report by the Secretary-General on the status of national legislation relating to deep seabed mining and related matters. A number of delegations welcomed the secretariat's commitment to undertake a comparative study of the existing national legislation, with a view to deriving common elements from the national legislation submitted to it. It was suggested that the secretariat could prepare a guidance document derived from general principles set out in international legislative instruments in time for the next session. Several delegations stated that their national legislation to govern activities in the Area was in the process of development and pending further consideration and adoption.

XII. Other matters

27. The Council discussed a joint proposal by the United Kingdom and Germany regarding the current status of the "Collective arrangement between competent international organizations on cooperation and coordination regarding selected areas beyond national jurisdiction in the North-East Atlantic" (ISBA/20/C/15). Different views were expressed as to whether the secretariat of the Authority should consider joining the collective arrangement. No decision was made in that respect. Nevertheless, the secretariat of the Authority was requested to enter into discussion with the secretariat of the OSPAR Commission, with a view to reporting back to the Council on the matter in 2015.

XIII. Next session of the Council

28. It was announced that the dates for the next session of the Council would be set following the decision by the Assembly in that respect. It should be recalled that it will be the turn of the group of the Asian and Pacific States to nominate a candidate for the Presidency of the Council in 2015.