SUMMARY OF THE TWENTY-THIRD ANNUAL SESSION OF THE INTERNATIONAL SEABED AUTHORITY: 8-18 AUGUST 2017

The 23rd annual session of the International Seabed Authority (ISA) convened at ISA headquarters in Kingston, Jamaica, with the Assembly opening on 8 August 2017 and continuing on 15-18 August, and the Council convening from 8-14 August. The Assembly discussed, among other items, the final report on the first periodic review of the ISA pursuant to Article 154 of the United Nations Convention on the Law of the Sea (UNCLOS). The Council considered, among various issues, the first report of the Secretary-General on the implementation of the Council’s decision adopted at the previous session in 2016, and draft regulations on the exploitation of marine minerals in the international seabed Area, which were released by the Secretariat in the form submitted to the ISA Legal and Technical Commission (LTC), which convened from 31 July - 9 August 2017.

Many delegates welcomed the public release of the draft exploitation regulations, which were open for stakeholder comment on the basis of a series of general and specific questions proposed by the Secretariat; and the Assembly decision on the periodic review, which addresses transparency and environmental issues. The decision also includes a revised meeting schedule, which is expected to engender a mutually responsive dialogue between the Commission and the Council on the draft exploitation regulations.

A BRIEF HISTORY OF THE INTERNATIONAL SEABED AUTHORITY

UNCLOS, which entered into force on 16 November 1994, sets forth the rights and obligations of states regarding the use of the oceans, their resources, and the protection of the marine and coastal environment. UNCLOS established that the Area and its resources are the common heritage of mankind. The Area is defined as the seabed and subsoil beyond the limits of national jurisdiction, and its “resources” as all solid, liquid or gaseous mineral resources in situ in the Area at or beneath the seabed, including polymetallic nodules. Polymetallic nodules were detected for the first time on the deep seabed by the HMS Challenger expedition in 1873: they are distributed on the surface or half-buried across the seabed, and contain nickel, copper, cobalt and manganese, among other metals, principally in the Clarion-Clipperton Zone of the Pacific Ocean. Other minerals have since been discovered in the Area: cobalt-rich ferromanganese crusts, which are mineral accumulations on seamounts and contain cobalt, nickel, copper, molybdenum and rare earth elements; and polymetallic sulphides, which are formed through chemical reactions around hydrothermal vent sites, and contain copper, zinc, lead, silver and gold.

Under the common heritage regime, UNCLOS provides that: no state can claim or exercise sovereignty or sovereign rights over any part of the Area or its resources; activities in the Area must be carried out for the benefit of humankind as a whole, irrespective of the geographical location of states, taking into particular consideration developing states’ interests and needs; the Area and its resources are open to use exclusively for peaceful purposes by all states, whether coastal or land-locked, without discrimination; and financial and other economic benefits derived from activities in the Area must be equitably shared, on a non-discriminatory basis.

To address certain difficulties raised by developed countries with the UNCLOS regime for the Area, the Agreement relating to the implementation of UNCLOS Part XI (the Area) was adopted on 28 July 1994 and entered into force on 28 July 1996. The Agreement addresses fiscal arrangements and costs to parties, institutional arrangements, the ISA decision-making mechanisms, and future amendments of UNCLOS.

The ISA was established as an autonomous institution under UNCLOS Part XI and the 1994 Implementing Agreement to organize and control activities in the Area, particularly with a view to administering the resources of the Area. The Authority, based in Kingston, Jamaica, came into existence on 16 November 1994 and became fully operational in 1996. Among other things, the ISA is mandated to provide for the necessary measures to
ensure the effective protection for the marine environment from harmful effects, which may arise from mining activities in the Area.

The ISA organs include the Assembly, the Council, the Finance Committee, the LTC and the Secretariat. The Assembly consists of all ISA members and has the power to: establish general policies; set the two-year budgets of the Authority; approve the rules, regulations and procedures governing prospecting, exploration and exploitation in the Area, following their adoption by the Council; and examine annual reports by the Secretary-General on the work of the Authority, which provides an opportunity for members to comment and make relevant proposals.

The Council consists of 36 members elected by the Assembly representing: state parties that are consumers or net importers of the commodities produced from the categories of minerals to be derived from the Area (Group A); state parties that made the largest investments in preparation for and in the conduct of activities in the Area, either directly or through their nationals (Group B); state parties that are major net exporters of the categories of minerals to be derived from the Area, including at least two developing states whose exports of such minerals have a substantial bearing upon their economies (Group C); developing state parties, representing special interests (Group D); as well as members elected according to the principle of equitable geographical distribution in the Council as a whole (Group E). The Council is mandated to: establish specific policies in conformity with UNCLOS and the general policies set by the Assembly; and supervise and coordinate implementation of the Area regime.

The LTC is an organ of the Council, originally consisting of 24 members elected by the Council on the basis of personal qualifications relevant to the exploration, exploitation and processing of mineral resources, oceanography, and economic and/or legal matters relating to ocean mining. The LTC was expanded to 30 members at the ISA’s 22nd session. The LTC reviews applications for plans of work, supervises exploration or mining activities, assesses the environmental impact of such activities and provides advice to the Assembly and Council on all matters relating to exploration and exploitation. The LTC’s reports to the Council are discussed during the ISA’s annual sessions.

The ISA has been developing the “Mining Code,” which is the set of rules, regulations and procedures to regulate prospecting, exploration and exploitation of marine minerals in the Area. To date, the Authority has issued Regulations on Prospecting and Exploration for Polymetallic Nodules (adopted on 13 July 2000, and updated on 25 July 2013); Regulations on Prospecting and Exploration for Polymetallic Sulphides (adopted on 7 May 2010) and Regulations on Prospecting and Exploration for Cobalt-Rich Ferromanganese Crusts (adopted on 27 July 2012). The regulations include the forms necessary to apply for exploration rights, as well as standard terms of exploration contracts; and are complemented by the LTC Recommendations for the guidance of contractors on assessing the environmental impacts of exploration. The ISA is in the process of developing exploitation regulations.

22ND SESSION: At its 22nd session (11-22 July 2016), the Assembly, inter alia, elected Michael Lodge (United Kingdom) as Secretary-General, and called for a further round of written observations by parties, observers and stakeholders on the interim report of the Article 154 periodic review. The Council, inter alia, welcomed the LTC’s work on the framework for the exploitation regulations, requested the LTC to continue this work as a matter of priority, and endorsed the LTC’s list of priority deliverables, including: a zero draft of the exploitation regulations and standard contractual terms; financial modeling for proposed financial terms and payment mechanism; data management strategy and plan; environmental management issues, including strategic environmental assessment, criteria/measures for the precautionary approach, establishment of regional environmental assessment process and regional environmental management plans (EMPs); options for an environmental impact assessment (EIA) process, including public participation, and environmental impact statement template/draft statement guidelines; a working definition and guidelines to assist the ISA in deciding whether adaptive management is appropriate for deep-sea mining; an expert study on defining “serious harm” (and related concepts) and on a definition and thresholds for “substantial evidence”; and the establishment of a legal working group on responsibility and liability, and consideration of an environmental liability trust fund.

ISA-23 REPORT

COUNCIL

On Tuesday, 8 August, Mauriusz Orion Jędrysek (Poland), Council President of the 22nd session, opened the Council meeting, recalling the voluntary commitments made by the ISA at the June 2017 UN Ocean Conference, on: enhancing the role of women in marine scientific research (MSR) through targeted capacity building; encouraging dissemination of research results through the ISA Secretary-General Award for Deep-Sea Research Excellence; enhancing deep-sea marine biodiversity assessments through the creation of online taxonomic atlases linked to deep-sea mining activities in the Area; fostering cooperation to promote the sustainable development of Africa’s deep-seabed resources in support of Africa’s blue economy; mapping Africa’s blue economy to support decision-making, investment and governance of activities undertaken on the continental shelf and adjacent international seabed areas; and improving the assessment of essential ecological functions of the deep seas through long-term underwater oceanographic observations in the Area. Ariel Fernández (Argentina) was elected by acclamation as Council President for the 23rd session and underscored the importance of working by consensus in a challenging and interesting new period for the ISA.

ADMINISTRATIVE MATTERS: Administrative matters were addressed on Tuesday-Wednesday, 8-9 August, and on Friday, 11 August. Delegates adopted the agenda without amendment (ISBA/23/C/1).

President Fernández called on the regional groups to submit their nominations for the positions of Vice-Presidents: Algeria, for the African Group, appointed Algeria; Bangladesh, for the Asia-Pacific Group, appointed Singapore; Poland, for the Eastern European Group, appointed Poland; and Canada, for the Western European and Others Group (WEOG), appointed the Netherlands. Delegates endorsed the nominations.

President Fernández announced nominations to fill three vacancies in the LTC, following recent resignations (ISBA/23/C/3), for the remainder of the term of these members and from the same geographical region or area of interest: Gastón Fernández Montero (Chile), Alonso Martínez Ruiz (Mexico) and Piotr Nowak (Poland). Uganda stressed that each nomination should be considered separately, cautioning against establishing a precedent. Secretary-General Lodge noted that a single document
for the three resignations and replacements was issued for cost-saving purposes. President Fernández announced each candidate separately and they were all approved by acclamation.

The Council took note of the oral report by Secretary-General Lodge that credentials had been received from all Council members.

**STATUS OF CONTRACTS:** On Wednesday, 9 August, President Fernández presented a report on the status of contracts for exploration and related matters (ISBA/23/C/7), highlighting: three new contracts signed since the 22nd session, and an additional one expected to be signed before the end of 2017; four agreements signed for a five-year extension of exploration contracts, with two more expected to be signed by the end of the present session; and the status of consultations regarding the establishment of an annual overhead charge of US$47,000 to cover the costs incurred by the Authority in administering and supervising contracts. The Council took note of the report.

**STATUS OF LEGISLATION:** On Wednesday, 9 August, Alfonso Ascencio-Herrera, ISA Legal Counsel and Deputy to the Secretary-General, presented a report on laws, regulations and administrative measures adopted by sponsoring states and other members with respect to the activities in the Area (ISBA/23/C/6), in response to a 2011 Council decision.

China emphasized the critical importance of national legislation regarding activities in the Area for the balance of rights and obligations of sponsoring states, contractors and the Authority. Fiji highlighted that the annual update of laws, regulations and administrative measures provides an indication of member states’ commitment. In addition to ensuring contractors’ compliance, Argentina drew attention to sponsoring states’ responsibility to adopt necessary laws and regulations, pointing to the 2011 Advisory Opinion of the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea (ITLOS). The Cook Islands provided information on national legislation referring to both national and ISA obligations, including the 2015 exploration regulations that take into account local communities and provide for outreach activities.

**Model law:** Indonesia suggested that the Council request the LTC to draft a model law, with the Netherlands considering legal principles useful to assist parties in developing necessary legislation, and with Tonga noting the need to strengthen the LTC’s human resources to this end. Canada and the UK supported the proposal in principle, noting that priority should be given to the development of exploitation regulations. The Cook Islands noted that, in his region, a model ISA law already exists.

Secretary-General Lodge recalled that the Council had requested the Secretariat to develop a comparative study of existing national legislation and derive common elements, noting that it could prove a useful first step towards developing a model law, reporting that the Secretariat had been unable to carry out the study yet due to limited resources and expressing hope that it could be done in the next biennium. He also pointed to the collection of 27 pieces of national legislation as a good starting point for the study.

The Council took note of the report.

**IMPLEMENTATION OF 2016 COUNCIL DECISION:** On Wednesday, 9 August, Secretary-General Lodge introduced an update on the implementation of the Council’s decision in 2016 relating to the summary report of the LTC Chair (ISBA/23/C/8), noting that this was the first report of its kind. He highlighted: the recruitment of a training officer, which was welcomed by the African Group and Bangladesh; and challenges in advancing work on EMPs in regions other than the Clarion-Clipperton Zone, due to budgetary constraints in the current biennium, noting preliminary discussions with the China Ocean Mineral Resources Research and Development Association on pursuing a cooperative effort with other contractors to develop an EMP for the cobalt-rich ferromanganese crust zones in the Pacific Ocean. He also reported good progress in implementing the data management strategy, noting that: separate briefings of the LTC and of contractors were held on technical aspects of the database; the informal meeting with contractors helped iron out technical difficulties in submitting information and in addressing gaps in data coverage; and environmental data from contractors are set to be made publicly available online. Several delegations expressed appreciation for the report.

Singapore emphasized the need to monitor and mitigate deep-sea mining impacts on the marine environment, commending the LTC’s attention to environmental management. The African Group recommended that the Secretariat brief new LTC members on the procedures on confidential data and information.

**Exploitation regulations:** Australia: supported by the Deep Sea Conservation Coalition (DSCC), underscored the need for transparency in developing draft exploitation regulations; expressed concern that only few member states provided inputs into the revised working draft circulated in 2016; and urged member states to provide inputs and the Secretariat to allow sufficient time for submissions. The African Group expressed concern about the low level of interaction of member states on the draft, querying the adequacy of communication on the consultation process. Secretary-General Lodge indicated that the consultation had been open for several months and extended for an additional month due to limited responses from member states, and committed to circulate information on future consultations as widely as possible.

**Data management:** Australia welcomed increased transparency in environmental data. Singapore: underscored the need to protect the integrity of collected data, supported by the UK; noted that some information is commercially sensitive; and welcomed the technical discussions held with contractors, calling for continued consultation with contractors and other stakeholders to develop a “well-considered and secure” data management system. The DSCC welcomed progress on the data management strategy and on making publicly available environmental data provided by contractors. Brazil highlighted the need for updates on progress in data management.

**Environmental management plans:** The UK looked forward to further progress on the EMPs for the Clarion-Clipperton Zone and for other areas. The DSCC highlighted the need to move forward with EMPs in regions where exploration licenses have been provided; and expressed appreciation for the Secretariat taking note of external initiatives to develop a scientific basis for an EMP in the Atlantic Ocean, and the intention to hold discussions with relevant stakeholders on how the outcomes of such initiatives may help to advance the work of the Authority. The Council took note of the report.

**MECHANISM FOR FUTURE ELECTIONS OF LTC MEMBERS:** On Wednesday, 9 August, Secretary-General Lodge introduced the document on a mechanism for future elections of LTC members (ISBA/23/C/2), recalling that this was a controversial issue in 2016, which resulted in a request to identify the LTC’s ideal size and to propose a mechanism to ensure that future elections will be undertaken so as to better take into account equitable geographical representation, appropriate qualifications, and the representation of special interests. He also underscored that: some aspects of that request are beyond the
Secretariat’s remit and a matter for the Council to decide; the report was prepared in late 2016, and therefore does not reflect the experience of the enlarged LTC in 2017; the timetable and process for nomination of candidates have worked well in the past; there are imbalances in the composition of the LTC both in terms of geographical representation and expertise; and a tentative suggestion to provide details of required areas of expertise in the Secretary-General’s letter calling for nominations. The item was discussed from Thursday to Monday, 10-14 August.

Cautioning against expanding the LTC to over 30 members, China suggested: better regulating the process for candidates’ nominations; adjusting the composition of the LTC as and when the Council’s functions and priorities evolve; and increasing expertise on, inter alia, exploration, environmental protection, and the economics of mining. The African Group underscored that equitable geographical distribution should guide the process of electing LTC members, regardless of whether the election takes place by consensus or following a vote, arguing that regional groups should accommodate their members’ special interests. Uganda added that regions should be responsible for deciding the experts they nominate, clarifying that issues of equitable geographical representation do not exclude expertise and efficiency considerations. South Africa suggested that the Secretariat advise on the work to be undertaken by the LTC before elections.

Brazil, for the Latin America and the Caribbean Group (GRULAC), recommended: clarifying in the election criteria that late candidacies will be rejected; consulting states about which specialists should be included in the LTC and to what extent; and establishing regional quotas the year before every election. Bangladesh, supported by New Zealand, underscored that under UNCLOS Article 163 (Organs of the Council), the Council may decide to increase the size of the Commission, having due regard for economy and efficiency, but also taking into account equitable geographical distribution and the representation of special interests; stressed the need to balance these interests; and called for greater scientific expertise on the LTC. Australia noted that UNCLOS Article 165 (the LTC) also sets out expertise requirements.

Japan underscored the need to consider the workload of the Commission, suggesting that LTC members also be Council members. The UK suggested that the Council decide on the size of the LTC so that states can nominate suitable candidates; with New Zealand, called for a supplementary report on the cost-benefit ratio for a larger LTC; and stressed that a strict geographical representation quota should not be imposed, so that all experts can be considered. New Zealand called for member states to consider expertise gaps when nominating experts. Noting the Secretariat’s proposal for a 24-member LTC as a basis for discussion, France called for a membership limit and suggested a presentation on how to better reflect geographical representation.

Following regional group consultations, delegates considered a draft decision introduced by the African Group and GRULAC, which was supported by Argentina, South Africa, Trinidad and Tobago, and Chile, with Jamaica noting that it would address the issue of predictability of the LTC composition, and Uganda supporting a cap on the LTC membership. The Asia-Pacific Group, supported by Canada, France and Australia noted that the need to give due regard to economy and efficiency in deciding to increase the LTC size according to UNCLOS Article 163 was excluded from the draft, and called for a report on the LTC effectiveness in its current format and a comparison between a 30-member LTC and a smaller one. The UK recalled that the Council at its 22nd session had set the starting basis for LTC membership at 25. Australia expressed concern about the interpretation of UNCLOS in the proposal. Tonga suggested allowing more time for the LTC to work at its current size. The African Group noted that: regional groups coordinate “when it comes to elections”; and in the absence of consensus, all candidates are put forward for the spaces allocated to the group.

Following additional discussions among regional groups, the African Group reiterated the importance of equitable geographical representation, noting that the draft decision does not address the LTC size. GRULAC stressed the need for predictability for regional groups to be better positioned to nominate experts. Singapore stressed that the LTC size has to be balanced, taking into account the LTC’s increasing workload and strains on the Voluntary Trust Fund. The Asia-Pacific Group, supported by Canada, questioned the need for a decision before the 25th session. India stated that the issue must be settled “once and for all” in two years. Delegates eventually agreed to forward the proposal to a future session of the Council.

POLAND’S APPLICATION: On Thursday, 10 August, President Fernández introduced the LTC report and recommendations on Poland’s application for approval of a work plan for polymetallic sulphides exploration (ISBA/23/C/11) and a draft decision on this matter (ISBA/23/C/L.3). Uganda supported the submission, calling for a more detailed introduction to the relevant documents. Noting that the LTC recommendations on this application will form a substantial part of his report, scheduled on Friday, 11 August, LTC Chair Christian Reichert (Germany) indicated that the area concerned is 10,000 square kilometers in size and lies within the limits of two large segments of the Mid-Atlantic Ridge, located between the Hayes, Atlantis and Kane transforms faults/fracture zones. He emphasized that Poland gave a presentation and responded to questions by the LTC, which formed three working groups on the legal, financial, geological, technological, environmental and training aspects of the application. He concluded that, following oral and written responses from Poland to additional questions by the LTC, the LTC’s recommendation is positive.

WWF pointed out that the proposal concerns an area that has already been described as an Ecologically or Biologically Significant Marine Area (EBSA) under the Convention on Biological Diversity (CBD), underscoring the urgency of formulating EMPs. The Council approved the application, inviting the Secretary-General to take the necessary steps to sign the contract, making Poland the seventh contractor for polymetallic sulphides. Poland underscored: support for the proposals by industry and scientists; commitment to share data in the spirit of collaboration characterizing the common heritage regime; and full awareness of the responsibility to minimize adverse effects.

Final Decision: In the final decision (ISBA/23/C/14), the Council:
• takes note of the LTC’s report and recommendations relating to an application for the approval of a work plan for polymetallic sulphides exploration submitted by Poland;
• approves the work plan; and
• requests the Secretariat to issue the work plan in the form of a contract between the Authority and Poland in accordance with the relevant Regulations.

INDIA’S APPLICATION: On Thursday, 10 August, President Fernández introduced India’s application for extending the contract for polymetallic nodules exploration (ISBA/23/C/9) and a draft decision on the application (ISBA/23/C/L.4). LTC Chair Reichert reported that the LTC, having requested additional
data, considered India’s application from February to August 2017 and found the information provided to be in line with the ISA’s exploration work plan extension criteria, which were approved in 2015. Brazil and Australia stressed the need for the LTC to continue to adhere to the 2015 procedure and criteria for extending exploration work plans. India thanked the Council, LTC and Secretariat for fast-tracking the application, and underscored concerns, including the development of the requisite technology that needs to be taken into account to respond to the Council’s invitation, contained in the decision, for India to be ready to proceed to exploitation at the end of the five-year extension period. The Council approved the extension.

**Final Decision:** In the final decision (ISBA/23/C/15), the Council:
- recalls that India entered into a 15-year contract for polymetallic nodules exploration with the ISA on 25 March 2002;
- decides to approve the application for extending the contract;
- requests the Secretariat to take the necessary steps to execute the extension of the contract, with effect from 25 March 2017; and
- invites the applicant to be ready to proceed to exploitation at the end of the five-year extension period.

**STAFF REGULATIONS:** On Thursday, 10 August, Legal Counsel Ascencio-Herrera introduced a document on proposed amendments to the ISA staff regulations (ISBA/23/C/4), indicating that the Council is invited to adopt and apply provisionally, pending approval by the Assembly, changes in the new compensation package of the UN common system concerning salary and dependency allowances, education grants as a dependency benefit, relocation, and mobility and hardship. He also noted that the Finance Committee’s report, yet to be discussed, indicates that these amendments have no financial implications. The Council adopted the decision.

**Final Decision:** In the final decision concerning the ISA staff regulations (ISBA/23/C/16), the Council adopts and applies provisionally, pending approval by the Assembly, the revisions of the staff regulations; and recommends the Assembly approve the revisions.

**REPORT OF THE FINANCE COMMITTEE:** On Thursday, 10 August, President Fernández introduced the report of the Finance Committee, including its recommendations (ISBA/23/A/8). Finance Committee Chair Andrzej Przybycin (Poland) summarized the Committee’s discussions, noting, *inter alia:* the status of overhead charges for the administration and supervision of exploration contracts; outstanding contributions from member states in arrears for two or more years; and the need to introduce strategies to counter the depletion of funds and to promote the long-term sustainability of the Voluntary Trust Fund, by urging member states to make contributions as soon as possible, and by revising the criteria for the use of the Fund, with specific terms and conditions for these revisions contained in an annex to the report. This item was also discussed on Friday, 11 August, focusing on the Voluntary Trust Fund.

**Voluntary Trust Fund:** Japan questioned the nature of “other appropriate measures” to be undertaken by the Secretariat in considering all applications received, if the balance of the Voluntary Trust Fund is insufficient to finance all requests. Jamaica suggested adding reference to other appropriate measures “to prioritize the disbursement of available funds.” Secretary-General Lodge noted that as of 2007, the Voluntary Trust Fund had ceased borrowing from the Endowment Fund, since the Finance Committee had deemed this practice unsustainable.

The African Group proposed a preambular paragraph, stressing the imperative of the highest level of Council members’ participation during its sessions, and an operative paragraph stating that “the Voluntary Trust Fund shall also serve to defray the costs of participation of one representative from each developing country member when the Council meets more than once a year.” When considering a revised draft decision, the African Group noted that these proposals had not been included. Bangladesh, supported by India, considered the proposed preambular language problematic. President Fernández suggested, and delegates agreed, reference to “the imperative of members’ participation during Council sessions, including those of developing country members.” On the suggested operative paragraph, India pointed to a contradiction between referencing the currently depleted status of the Fund and additional costs for developing country members’ participation. The African Group eventually withdrew the proposal, noting that it could be discussed by the Finance Committee and Council at future sessions.

**Administrative fees:** GRULAC, supported by the African Group and India, stressed that the increasing cost of administering contracts should not be borne by member states, but by contractors, adding that any additional funds could be transferred to the Voluntary Trust Fund. Noting that the administrative fees should be revised to reflect current economic realities, Uganda underscored, with South Africa, the efficiency gains derived from ensuring that contracts are considered expeditiously.

**Cost-saving measures:** Underscoring the principle of cost-effectiveness in all financial reforms, China highlighted that quality needs to be ensured. Drawing attention to the new budget format and structure, India stressed that long-term data need to be studied before making further cost-reduction recommendations.

**Final Decision:** In the decision (ISBA/23/C/L.5/Rev.1), the Council recommends that the Assembly:
- appoint Ernst & Young as independent auditor for a four-year term for the period 2017-2020;
- adopt revised criteria for managing and using the Voluntary Trust Fund;
- note with concern the increasing amount of outstanding contributions to the ISA budget, and the current status of the Voluntary Trust Fund, compromising its operations beyond 2018;
- urge members to pay their assessed contributions to the budget on time and in full, as well as, together with observers and other possible donors, to make voluntary contributions to the Endowment Fund and Voluntary Trust Fund;
- take note of the ISA’s progress in implementing International Public Sector Accounting Standards, of the implementation of the revisions to the compensation package for staff and of the new format and structure of the budget for 2017-2018; and
- request the Secretariat to implement remote simultaneous interpretation for the LTC and the Finance Committee meetings in 2018.

In the annexed terms and conditions for the use of the Voluntary Trust Fund, the Council recommends that the Fund: is used to defray the costs of participation of LTC and Finance Committee members from developing countries; and is funded by voluntary contributions from members, open to contributions from others, including other states, contractors, international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private individuals.
LTC REPORT: This item was discussed on Friday, 11 August, and on Monday, 14 August, with a revised draft decision adopted without amendments following informal consultations led by Australia, and regional consultations at the end of which a revised draft decision was distributed and GRULAC considered appropriate to address their issues. Discussions focused mainly on: transparency; contractors’ non-compliance; the relevance of EBSAs; and the content of, and process for developing, draft exploitation regulations. Delegates also discussed: the review of recommendations for the guidance of contractors’ EIAs; EMPs; and matters referred to the Commission by the Council.

LTC Chair Reichert reported on the LTC work in 2017 (ISBA/23/C/13), highlighting that:

• most contractors met their reporting requirements, but there were some non-compliance cases, including a failure to report environmental data;
• two contractors appeared not to have advanced environmental objectives at all;
• the Commission was pleased with the quality of contractors’ environmental studies;
• the ISA needs all contractors to collect samples consistently and to fully report data to generate appropriate regional EMPs, noting significant progress; and
• the Commission supported increasing collaboration between contractors, extended to environmental surveys and data collection that potentially enables an improved regional understanding of environmental patterns.

On the draft exploitation regulations, LTC Chair Reichert reported on: consideration of an overview of stakeholders’ submissions to the revised working draft, stressing transparency, as well as potential duplication, ambiguity and inconsistency between separate regulations on environmental matters and a mining inspectorate; consideration of a discussion paper on drafting environmental regulations, issued by the Secretariat in January 2017; the need to clarify ambiguities in the draft regulations presented by the Secretariat; plans to review the outcome of consultations on the design of a payment mechanism and financial terms, to be prepared by the Secretariat; and discussion of a roadmap for the delivery of the draft regulations to the Council, including stakeholder consultations.

He further highlighted: extensive deliberations on the draft revised recommendations on contractors’ EIAs, to provide up-to-date guidance on current best available methodology and technology, and the decision to provide a revised draft to contractors for comment; and the lack of EMPs for massive seafloor sulphide deposits associated with mid-ocean ridges of the Atlantic and Indian Oceans or for the cobalt-rich crusts of the seamount in the Pacific Ocean, underscoring the need for a regional approach.

Underlining the importance of transparency, Greenpeace reiterated his request for the LTC to open its meetings to observers, including their submissions.

Contractors’ non-compliance: The Netherlands, supported by Australia, Mexico and Argentina, called for clarification on whether contractors’ non-compliance with their reporting requirements is persistent, recommending that contractors’ names be included in the LTC reports, for the Council to discharge its responsibility to act on cases of non-compliance, including by imposing monetary penalties or suspending contracts. The UK supported informing the Council on contractors’ non-compliance, in an appropriate format. The DSCC noted that the Article 154 review provides an opportunity for introducing more transparency, including, supported by Greenpeace, the establishment of an environmental scientific committee.

Supported by Australia, Argentina and the DSCC, the African Group called for the LTC to suggest measures to address cases of non-compliance, with Brazil requesting clarification on the role of the LTC, as well as actions to address non-compliance with contractors’ obligations to advance environmental objectives. India noted the heavy workload for the LTC in reviewing contractors’ reports; and the need to ensure data security and confidentiality. China underscored the sponsoring states’ obligation to keep contractors under annual review.

Brazil expressed concern that one contractor had not provided data owing to confidentiality clauses of an international research programme, with the UK cautioning that not taking measures could establish a precedent. Canada expressed concern about confidentiality agreements that prevent information sharing. The International Union for the Conservation of Nature (IUCN) underscored that compliance issues are not limited to data provision, but extend to the assessment methodology of possible impacts during exploration; and enquired about follow-up and remedial action for contractors’ small sample sizes, insufficient numbers of sampling stations, and lack of description of pelagic communities.

LTC Chair Reichert clarified that: the LTC does not generally reveal the identity of contractors failing to meet requirements; currently the LTC cannot assess whether non-compliance cases are persistent, as it deals with annual reports; and a list of particular issues noted by the LTC is forwarded to the Secretariat, for it to contact contractors to address the issues and take the necessary steps.

Review of recommendations for the guidance of contractors’ EIAs: China supported sharing with contractors the revised draft recommendations. The DSCC called for making publicly available contractors’ preliminary impact assessments and the reasoning behind the LTC’s recommendations to approve exploration work plans, as well as Commission reports and annual reviews of contractors’ environmental performance, excluding matters of commercial confidentiality. IUCN requested including a wider range of stakeholders, in addition to contractors, in future discussions of the revised draft recommendations.

Environmental Management Plans: The Netherlands queried the reference to “a regional approach” in establishing effective EMPs in light of the exploitation regulations and the applications for exploration contracts. Australia underscored the need for EMPs, encouraging broad participation in a workshop on implementing the Clarion-Clipperton Zone plan, with Greenpeace suggesting a structured series of open workshops and consultation with states and stakeholders for developing and reviewing EMPs. The DSCC, Pew Charitable Trusts and WWF considered the development of regional environmental plans a matter of urgency.

Lamenting lack of consideration of EBSA descriptions and of data regarding pelagic impacts, WWF called for: capturing environmental variability against a baseline; encouraging and funding independent scientific research to complement contractors’ data, noting the link between data transparency and accountability; and urgently reviewing the Clarion-Clipperton Zone EMP. Secretary-General Lodge called on member states and others to partner with the Secretariat on developing EMPs.

Matters referred to the Commission by the Council: Brazil and India expressed concern that the LTC was unable to discuss issues related to the monopolization of activities in the Area, the concept of abuse of dominant position, and the operation of the...
Enterprise (a body that is to serve as the Authority's own mining operator), noting that these will be important in discussing the mining code.

Australia introduced a draft decision based on extensive informal consultations, which was circulated at lunchtime. A revised version was circulated during the afternoon session. Chile questioned the reference to “monopolization” and “abuse of dominant position” as priority issues requiring adequate time and resources for LTC consideration. Argentina recalled that these were among the matters already referred by the Council to the LTC, which could not be addressed at this session. India underscored that these matters are outstanding since 2015. Germany provided the example of contractors that accumulate multiple areas for exploration. Greenpeace suggested requesting open LTC sessions when discussing the draft exploitation regulations.

EBSAs: The Netherlands, supported by Greenpeace and IUCN, called for the Council to consider the work of other multilateral environmental agreements, including the CBD, and requested the LTC to address the issue of impacts on EBSAs in other applications for approval of work plans and extension of exploration contracts, as well as in the exploration regulations. New Zealand, supported by Greenpeace, underscored the need to also account for vulnerable marine ecosystems (VMEs). IUCN noted that, with respect to Poland’s application, the Lost City Hydrothermal vent field has been put forward as an area meeting the World Heritage Convention criteria.

LTC Chair Reichert pointed to: the absence of binding regulations on EBSAs, and the possibility of strictly reserving or ruling out areas from further exploration on the basis of binding regulations; the ISA’s responsibility for the seabed, not the water column; and support from the Secretariat in verifying areas of overlap with essential navigation lanes or intense fisheries areas, including in the context of a Memorandum of Understanding with the International Maritime Organization, with a view to informing the LTC’s consideration of applications.

On Monday, 14 August, Spain, supported by WWF and the DSCC, cautioned against approving contracts concerning EBSAs in the future, including in the context of future exploitation, and called for the Council to request the LTC to include the CBD in a checklist of bodies and conventions that contractors should consult during the application approval process, clarifying that the proposal refers to requests for future contracts. Argentina opposed, cautioning against incorporating a priori criteria from other international instruments or involve bodies under international treaties other than UNCLOS, calling for more analysis of the proposal. A draft decision was distributed at the end of the morning session, whereby the Council would have requested the Commission to consider EBSAs or VMEs for any new contract application. In the afternoon, delegates agreed upon a revised draft decision that did not include any reference to EBSAs or VMEs.

Approval for mining technologies: Secretary-General Lodge introduced a submission from the Netherlands on a tentative approval process for environmentally responsible mining technologies (ISBA/23/C.5). GRULAC supported the proposal. President Fernández proposed including reference to the proposal in the decision on the LTC Chair’s report.

Draft exploitation regulations: This item was addressed on Friday, 11 August, on the basis of the LTC Chair’s report and on Monday, 14 August, on the basis of the consolidated draft exploitation regulations (ISBA/23/LTC/CRP.3), which had been presented by the Secretariat to the LTC for its consideration, and of a Secretariat note (ISBA/23/C.12), announcing that the draft is open for consultation, indicating 17 November 2017 as a closing date for comments, and outlining general and specific questions to guide submissions. Tonga underscored progress in developing the “skeletal framework” received by the Council in 2015 into the current 107-page draft. The African Group, supported by many, requested an extension of the deadline to the end of December 2017. Several countries indicated that they can only provide preliminary comments at this stage, without prejudice to future submissions on this draft.

Transparency in regulatory development: GRULAC, Tonga and others highlighted the need for transparency, with France and Canada congratulating the ISA’s Secretary-General for sharing the draft exploitation regulations; and with Morocco, the development of the roadmap to increase visibility and transparency. Germany encouraged stakeholders to comment on the publicly available draft regulations. Australia requested sufficient time for member states to provide substantial inputs and for stakeholder engagement; and, with the UK and Canada, sharing the LTC comments on the draft regulations, without compromising confidentiality. New Zealand stressed the importance of effective environmental protection and informed stakeholder consultations. Japan called for stakeholder comments at each stage of the discussions on the exploitation regulations, as well as on the financial model and terms, and the technical criteria, recommendations, and guidelines to support the delivery of the regulations. China, supported by Greenpeace, emphasized that future workshops should encourage wide participation from experts in different fields, including policy experts, and a wide representation of government representatives. Singapore lamented low participation during the previous consultations stage, urging especially Council members to provide inputs; and called, with Tonga and Greenpeace, for broad participation in intersessional workshops and working groups. Greenpeace, with IUCN, called for open meetings of the working group on responsibility and liability. GRULAC urged the ISA to make all documents from intersessional activities, including workshops, available to member states as soon as possible. France favored the Secretariat publishing stakeholders’ comments. WWF called for a two-way stakeholder communication strategy.

Roadmap for regulatory development: The Netherlands, with Germany, welcomed the “ambitious” roadmap for the delivery of the draft regulations to the Council. Argentina, with the UK and Canada, noted the need to coordinate the Council’s consideration of the roadmap for exploitation regulations with the proposed revised schedule of meetings to be discussed by the Assembly. Singapore, supported by WWF, queried how the design criteria for impact reference zones will fit into the roadmap. The Netherlands, supported by the UK, recommended that the Council meet before the LTC to consider drafts in which LTC comments have been incorporated. Germany recommended that the roadmap provide adequate time for submissions at each step of the drafting process. New Zealand stressed the need for sufficient time for stakeholder engagement, both in terms of submissions and discussions in the Council.

Considering the timetable for exploitation regulations premature, China noted the complex nature of the exploitation regulations, the LTC’s heavy workload, the variety of options for payment mechanisms, the early stage of discussions on liability, and unclear prospects for commercial exploitation due to the global metal market.
**Structure of the regulations:** Singapore welcomed a single, consolidated version incorporating provisions on environmental protection, noting that part of the previous separate draft on environmental issues had not been incorporated, although that material is still useful for contractors. New Zealand, supported by the DSCC and WWF, expressed concern about the lack of inclusion in the consolidated draft of earlier references to a clear EIA process, environmental objectives and ways to operationalize the precautionary approach. IUCN stressed that the results from the Berlin workshop on an environmental management strategy for the Area and the LTC comments had not been incorporated. France considered the revised draft regulations an “excellent working document.”

**Balance between economic development and environmental protection:** Singapore stressed that various interests on exploitation need to be balanced, in line with international law and ensuring a level-playing field for contractors. Tonga called for a better balance between economic development and environmental protection, noting the need to establish ecological objectives, goals, targets and measures. Jamaica recommended: providing a commercially viable environment that encourages sustainable seabed mining; paying attention to ecosystems’ fragility and vulnerability; and establishing a standard of “serious harm” as a necessary first step. Japan cautioned against excessive regulation, balancing exploitation and environmental protection in a manner comparable to the regulation of offshore oil development.

China suggested that the regulations: be accompanied by best practices, including from land-based activities within national jurisdiction; be based on social, economic, scientific and legal realities; be developed gradually; balance rights and obligations of different actors; supported by the DSCC, deal with environmental protection systematically, including impact management pre-, during and post-exploitation, using targeted measures on different categories of resources; and take into consideration the payment regime and benefit-sharing mechanism, to be decided upon by consensus and in line with UNCLOS.

**Protection of the marine environment:** Noting, with Mexico, Indonesia and Greenpeace, that the development of exploitation regulations cannot be rushed at the expense of the prevention of harmful effects on the marine environment, Australia called for: including the precautionary approach; reviewing contractors’ compliance, including consequences for breaches; stopping work if environmental harm arises; and taking emergency action, when necessary. New Zealand recommended including: strategic environmental assessments; regional EMPs, supported by the DSCC; impact assessments’ specification; and monitoring plans. Mexico noted the need to strengthen: contractors’ responsibility to prevent harm to the marine environment, as well as to provide information and reports; and the ISA’s commitment and capacities to ensure environmental protection.

Chile, supported by Mexico, called for: additional scientific research; supported by WWF, compatibility of regulations governing activities in the Area with adjacent states’ domestic legislation; avoidance of adverse impacts on fisheries; the creation of marine protected areas; responsibility for effective ocean management; and account of obligations arising from binding international conventions, including the international instrument under negotiation on biodiversity in areas beyond national jurisdiction (BBNJ).

Fiji noted that further work is needed on sustainable development without adding to the deterioration of the oceans, in line with the UN Ocean Conference and the BBNJ process, emphasizing Sustainable Development Goal (SDG) 14 (conserving and sustainably using the oceans, seas and marine resources for sustainable development). Poland called for a systematic impact analysis, underscoring the importance of scientific information “before putting directives in practice.” Chile underscored the need for: a comparative study of national legislation; comprehensive regulations before any exploitation activity takes place; and a comprehensive study of environmental impacts, as well as the necessary institutional structure, technical expertise and financial resources to monitor environmental impacts prior to the exploitation phase.

Encouraging the incorporation of a global environmental strategy and regional EMPS including goals, objectives, targets and indicators, IUCN noted that acceptable definitions of “effective protection,” “harmful effects” and “serious harm” will require improved scientific knowledge.

**Dispute settlement:** Tonga, supported by Greenpeace, called for further clarifications on the relationship between relevant UNCLOS dispute settlement provisions and: the draft regulation providing that contractors failing to prevent and respond to incidents will be brought to the attention of sponsoring states by the Secretariat; and the draft regulation on an administrative review mechanism for technical disputes that could be determined by an expert panel. Australia, supported by Argentina, cautioned against developing dispute settlement mechanisms under the regulations on matters of UNCLOS interpretation. Greenpeace recommended effective and accessible mechanisms, such as the Aarhus Convention Compliance Committee and the Espoo Convention Implementation Committee, cautioning that expensive and confidential arbitration is incompatible with the common heritage principle.

**Other substantive matters:** Tonga recommended: excluding from confidentiality rules, information on the marine environment and the protection of human health; providing time-bound regulations to ensure contractors’ compliance, including to take swift action to protect the marine environment; avoiding overlaps in use among the Environmental Liability Trust Fund, the Seabed Mining Sustainability Fund, the Endowment Fund and the Voluntary Trust Fund; and further clarifying sponsoring states’ responsibility vis-à-vis the ISA’s primary role in enforcement, and cooperation between the ISA and sponsoring states in monitoring and sharing information from contractors.

Canada called for a clear fiscal regime and environmental regulations to allow for investors’ effective and timely decision-making. Chile considered adequate royalties as compensation to the international community for the deterioration of the common heritage that should not be used to finance the ISA, arguing for objective regulations that consider the interests of the entire international community.

Greenpeace called for: an open-ended definition of “stakeholders,” objecting to a narrow definition of “interested person” in relation to common heritage; access to information, with opportunity for comments at each stage, and for review procedures; an independent scientific assessment; and a liability fund as suggested by the ITLOS Seabed Disputes Chamber.

**Final Decision:** In the final decision relating to the LTC Chair’s report (ISBA/23/C/18), the ISA Council:
- takes note of substantive considerations given to a single application for extending an exploration contract, especially the consideration of whether the contractor had made good-faith efforts to comply with the contract requirements but for reasons beyond the contractor’s control, had been unable to...
complete the preparatory work necessary for proceeding to the exploitation stage, or if the prevailing economic conditions did not justify proceeding to the exploitation stage;

- welcomes the Secretary-General’s report on the implementation of 2016 decisions relating to the LTC Chair’s report, noting that it is the first report of this kind and requesting that such annual reports remain a standing agenda item;

- welcomes progress towards implementing the data management strategy, noting its anticipated full implementation by the end of October 2018;

- requests the Secretariat to ensure adequate time and resources for the LTC to discuss other matters referred to it by the Council that the LTC has been unable to address due to its heavy workload and time constraints, especially on priority issues, including monopolization, effective control, and abuse of dominant position;

- encourages the Secretariat to work with the LTC to ensure the broadest participation at workshops on the criteria for selecting impact reference zones and preservation reference zones, and on the status of implementation of the EMP for the Clarion-Clipperton Zone, to be convened in September 2017 and in 2018, respectively; and

- encourages progress in developing EMPs in other international seabed area zones, in particular where there are currently exploitation contracts.

On compliance, the Council:

- notes with concern the identification of non-compliance cases in the LTC consideration of the contractors’ annual reports;

- requests the Secretariat and/or the LTC to provide further details on these cases, when the contractor has not complied with a specific request in a letter received from the Secretariat, including details of the contractor, details of repeated non-compliance instances and recommendations to ensure compliance in the future, to enable the Council to discharge its functions in this connection; and

- urges all contractors to comply with their reporting requirements, and to make their environmental data readily and publicly available, acknowledging they have implemented training programmes and allocated further training opportunities.

On the draft exploitation regulations, the Council:

- welcomes continued work on the exploitation regulations, in particular the development of a single set of draft regulations dealing with exploitation, mining inspectorate and environmental matters, requesting work to continue as a matter of priority;

- takes note of the development of a roadmap for adopting and approving the exploitation regulations, noting that the proposed timeline will be subject to the Assembly’s consideration of a revised meeting schedule;

- requests circulating the LTC’s recommendations on the current draft exploitation regulations, as well as the next iteration of the draft, with sufficient time prior to the next Council meeting, to allow for substantive consideration and discussion, emphasizing the need for openness and transparency;

- takes note of the report of the 2017 Berlin environmental workshop and of the 2017 Singapore workshop on the payment regime; and

- requests the LTC to consider, as appropriate, the Netherlands’ submission on an approval process for mining equipment and the development of environmentally responsible mining technologies.

CLOSING PLENARY: On Monday, 14 August, President Fernández indicated that, due to the pending discussion in the Assembly about a revised meeting schedule, the dates for Council’s future meetings will be communicated in due course. He commended the substantive work done by the Council at this session, noting efficiency, effectiveness, and the need for more political dialogue among regional groups. He gavled the meeting to a close at 5:30 pm.

ASSEMBLY

On Tuesday, 8 August, Khurshed Alam (Bangladesh), President of the Assembly’s 22nd session, opened the meeting, underscoring the Article 154 review, the UN Ocean Conference, and the recommendations adopted at the fourth session of the Preparatory Committee on the elements of a draft text of an international legally binding instrument (ILBI) under UNCLOS on the conservation and sustainable use of BBNJ. He considered that all the voluntary commitments, including those of the ISA, made at the UN Ocean Conference, demonstrate the widely-understood importance of the ocean and SDG 14, and the need to ensure the sustainability of the marine environment for the benefit of future generations.

Eugénio João Muiana (Mozambique) was elected President of the 23rd session of the Assembly by acclamation. He emphasized the responsibility and active role of the Assembly in addressing challenges and opportunities relevant to the sustainable use of the oceans, as well as its mandate and role in cooperating with other processes and all stakeholders for better ocean governance.

The International Hydrographic Organization recalled his objective to ensure that the ocean is properly mapped for the benefit of all human activities in or under the sea, in the context of the 2030 Agenda for Sustainable Development; called upon the ISA to ensure that the geo-spatial and environmental information provided by contractors is made as widely available as possible in the common interest to use and understand the ocean environment; pointed to the Agreement of Cooperation with the ISA concluded in 2016; and emphasized appropriate data transfer protocols and data exchange standards, including for the ongoing deliberations in the LTC.

ADMINISTRATIVE MATTERS: These were addressed on Tuesday, 8 August, and Tuesday, 15 August. Delegates approved the provisional agenda (ISBA/23/A/L.1). The Assembly endorsed the following nominations for the positions of Vice-President: China for the Asia-Pacific Group, Jamaica for GRULAC, the Russian Federation for the Eastern European Group, and Australia for WEOG.

Credentials Committee: The Assembly endorsed the following nominations for the Credentials Committee: Lebanon and Myanmar for the Asia-Pacific Group, the Russian Federation and Poland for the Eastern European Group, Panama and Guyana for GRULAC, Ghana for the African Group, and Belgium and Norway for WEOG.

Finance Committee: Delegates elected Didier Ortolland (France) and Vedla Umasankar (India) to fill two vacancies resulting from resignations in the Finance Committee, for the remainder of the term of the members that resigned from the same geographical region or group of states (ISBA/23/A/6-7).

OBSERVER STATUS: On Tuesday, 8 August, President Muiana pointed to six requests from organizations to obtain observer status in the Assembly. The Secretariat of the Pacific Regional Environment Programme (ISBA/23/A/INF/1/Rev.1), supported by Nauru, the International Policy Laboratory of the Massachusetts Institute of Technology (ISBA/23/A/INF/3), the Center for Polar and Deep Ocean Development (ISBA/23/A/
INF/4), the International Marine Minerals Society (ISBA/23/A/INF/5) and the Institute for Advanced Sustainability Studies (ISBA/23/A/INF/6) were awarded observer status without discussion.

Regarding the request by a non-profit organization, Earthworks (ISBA/23/A/INF/2), Uganda recommended that the merits of applicants should be scrutinized before observer status is granted, following the practice of the General Assembly. Stating that “we barely know what this entity does,” Brazil requested clarification on whether the full set of information received by Earthworks is included in the document. Secretary-General Lodge explained that, following established ISA practice, the Secretariat reproduces the material provided by applicants in the meeting documents for the Assembly’s consideration. President Muianga proposed that, in the future, the Secretariat should ensure that the entities requesting observer status provide more substantial information. Jamaica underscored that the other requests for observer status follow a standard format and thus provide extensive information, and asked whether any arrangements with Earthworks have been made by the Secretariat. Secretary-General Lodge responded that no arrangement had been made, explaining that further information had been requested by the Secretariat but had not been provided by Earthworks. Nigeria cautioned against granting observer status based on a four-paragraph letter. Australia noted that as an increasing number of organizations apply for observer status, complete information should be required for the Assembly to take a decision. President Muianga suggested, and delegates agreed, to defer the decision on the application by Earthworks until additional information is provided; and congratulated the five new observers, noting that this is the beginning of cooperation and collaboration for the fulfilment of the ISA’s mandate.

On Thursday, 17 August, the Cook Islands asked whether the Secretariat had requested and obtained additional information from Earthworks about their observer status, and whether, in the absence of such information, the request would be declined or addressed at the next session. On Friday, 18 August, President Muianga indicated that the matter will be deferred to a future meeting, when more information is gathered.

SECRETARY-GENERAL’S REPORT: This item was discussed on Tuesday and Wednesday, 15-16 August. Secretary-General Lodge introduced the annual report (ISBA/23/A/2), highlighting, inter alia: the increase in contributions paid by members, but also the need to regularize their arrears; the technical workshops for the draft exploitation regulations and the May 2017 Kampala sensitization seminar regarding a voluntary commitment to develop a cooperative programme promoting sustainable development of Africa’s deep-seabed resources, and related need for partnerships and budgetary savings to meet the increasing demand for sensitization seminars; ISA’s increased efforts to collaborate with other institutions on scientific data; progress in implementing the data management strategy; the need to effectively circulate available training opportunities; and the urgent need for increased contributions to the Endowment Fund for MSR in the Area.

France welcomed the report. Myanmar favored: cost-saving measures, including remote interpretation; strengthened cooperation with other bodies; and outreach activities, including technical workshops for data standardization. Lebanon emphasized: ocean conservation to “protect our past, present and future”; the need for all stakeholders to participate in implementation; the ISA’s role in facilitating the implementation of UNCLOS obligations on technology transfer; and better workflow at the LTC to assess contractors’ annual reports. Noting limited understanding of deep-sea ecosystems, Canada, also on behalf of Australia and New Zealand (CANZ), underscored: best available science; flexibility to incorporate emerging scientific understanding; the precautionary approach; and swift and pre-emptive action to protect the marine environment in cases of non-compliance. Looking forward to a draft strategic plan to be submitted in 2018, CANZ welcomed the EMP for the Clarion-Clipperton Zone and the intention to develop EMPS for other regions, as well as the criteria on impact reference zones and preservation reference zones. South Africa welcomed the digitalization of contractor data, but cautioned against losing data in the old format.

The Assembly took note of the report, following discussions on: the development of the draft exploitation regulations, cooperation, financial issues, capacity building, legal and technical issues, and transparency.

Draft exploitation regulations: Japan considered the development of draft exploitation regulations as a new step towards fulfilling the ISA’s aim, reporting on efforts to develop EIA technology for ocean resources’ exploitation. Calling for sound exploitation regulations, adopted by consensus and progressing gradually, China underscored that commercial exploitation is a complex task, dependent on the global economy and the metal market, institutional arrangements, legal responsibilities, and marine environmental protection considerations. He urged taking into account the interests of the international community, with standards based on sound science and a balance between the rights and obligations of parties, contractors and the ISA. The Cook Islands emphasized accountability, transparency and clarity regarding environmental concerns. Bangladesh underscored the importance of environmental safeguards and environmental baselines to assess potential impacts.

Singapore commended the Secretariat for keeping up the pace in developing the draft exploitation regulations for commercially feasible and environmentally sound mining. Tonga favored the ISA’s work on supporting the supervision of contractors and developing the draft exploitation regulations, stressing, with the UK, the urgency of completing regulations and guidelines. The African Group emphasized benefit-sharing as a key component of the common heritage regime. South Africa emphasized that access and benefit-sharing must be based on equal and mutually agreed partnerships to address technological gaps.

Fiji recommended: with Uganda, respect for the precautionary approach; and a transparent and consultative approach in developing the draft exploitation regulations, welcoming the opportunity at this session for Council members to comment on the current draft. CANZ urged proceeding with caution with the draft exploitation regulations, ensuring environmental protection, timely circulation of draft versions to allow for intersessional submissions and Council discussions, as well as, supported by Greenpeace and the DSCC, the simultaneous adoption of the environmental regulations.

The Philippines stressed the importance of related EIA recommendations, in addition to exploitation regulations. Noting that the transition to the exploitation phase requires transparent actions, Ecuador stated that the exploitation regulations must ensure economic and social development of all states, minimizing environmental impacts.

Referring to a recent academic publication, the DSCC stressed that biodiversity loss from deep-seabed mining will be unavoidable and likely permanent on human timescales, due to
very low ecosystem recovery rates, questioning which benefit to humankind could justify biodiversity loss in the Area. Greenpeace requested filling international law gaps through the exploitation regulations regarding dumping of seabed-mining waste, and liability and redress, including the latter on the 24th session’s agenda.

Cooperation: Recommending continued dialogue with relevant international organizations to harmonize the ISA’s work towards common goals to benefit humankind as a whole, Singapore welcomed: increased outreach activities by the Secretariat; the ISA’s active participation in the UN Ocean Conference, supported by Tonga, the UK and Nigeria; and its voluntary commitments. Tonga called attention to the UN Ocean Conference’s Call for Action reference to enhancing interagency coordination and coherence throughout the UN system on ocean issues, taking into consideration the work of UN-Oceans to support the implementation of SDG 14.

Tonga, with the UK, welcomed the ISA’s active engagement in the BBNJ process, calling for its continuation in the next phase of the negotiations and noting the potential implications of a new ILBI on BBNJ for the Area management and the ISA’s operational mandate. Morocco underscored intensified multilateral efforts on protecting the ocean for realizing the Sustainable Development Agenda, and the potential role of the ISA in a new ILBI on BBNJ with regard to common heritage and benefit-sharing. The African Group referred to common heritage to promote access and ensure benefit-sharing in pursuit of equity, inviting delegates to reflect on the ISA’s role in the BBNJ process. The Philippines called for strengthening cooperation on MSR to standardize data and ensure greater access.

Underscoring the importance of the ISA’s work in implementing UNCLOS as a whole, the UN Division for Ocean Affairs and the Law of the Sea (UNDOALOS) noted that UNCLOS state parties at their 2017 meeting welcomed the periodic review report; called for greater stakeholder consultations on the draft exploitation regulations; expressed concern about arrears in payments and low attendance at Assembly meetings; and emphasized that the UN Informal Consultative Process on Oceans and the Law of the Sea considered climate change and emphasized that the UN Informal Consultative Process on Oceans and the Law of the Sea considered climate change impacts on the ocean as a threat-multiplier that undermines states’ ability to achieve sustainable development. The International Cable Protection Committee: reported on reciprocal notice of arrears in payments and low attendance at Assembly meetings; and emphasized that the UN Informal Consultative Process on Oceans and the Law of the Sea considered climate change impacts on the ocean as a threat-multiplier that undermines states’ ability to achieve sustainable development. The International Cable Protection Committee: reported on reciprocal notice of activities, respectful of confidentiality, with the ISA; underscored the risk of bringing down global communication due to negative impacts of deep-seabed mining on submarine cables; and urged the ISA to consider effective means to enforce or incentivize “due regard” obligations related to submarine cables.

Financial issues: Japan urged parties in arrears in their financial contributions to fulfill their obligations, with Nauru stressing that the ISA work depends on predictable and stable financing, and Togo noting limited progress in the number of states in arrears since 2000. The African Group urged member states, observers, contractors, technical organizations and philanthropists to contribute to the Voluntary Trust Fund.

CANZ stressed work to be done by the Finance Committee on administrative and fixed fees, performance guarantees and payments arising from UNCLOS Article 82 (payments and contributions with respect to the exploitation of the outer continental shelf), noting that the latter will be necessary to enable operators to properly assess the commercial viability of their discoveries. Brazil, on behalf of GRULAC, commented on the avoidance of unnecessary expenditure, and suggested that if the proposed test of remote interpretation for the meetings of the LTC and the Finance Committee is positive, it could also be used for the Council and the Assembly.

Capacity building: Nauru encouraged states, especially developing ones, to support the Endowment Fund; and supported the ISA internship programme. The Cook Islands encouraged more capacity-building activities, including undertaking national awareness-raising events. Stressing that capacity building is necessary to allow developing countries to fully benefit from the oceans and comply with UNCLOS obligations, Bangladesh called for holding more workshops and sensitization seminars.

Tonga recommended long-term and sustainable capacity-building and training programmes. The African Group considered capacity-building opportunities funded by contractors and by the ISA Endowment Fund as immediate benefit-sharing, necessary for sustainable development and the protection of the marine environment.

Morocco noted the role of capacity building in supporting developing countries’ participation in sustainable development and environmental protection in areas beyond national jurisdiction. Mexico highlighted potential agreements with research centers, universities, contractors and other entities for MSR-related opportunities. Noting that the common heritage regime involves education, training, cooperation and collaboration, Antigua and Barbuda highlighted the online database of national laws and regulations for sharing best practices and building capacities. The African Mineral Development Center noted that Africa is the only regional group not sponsoring an entity to engage in exploration activities.

Legal and administrative issues: Togo, with CANZ, emphasized the draft five-year strategic plan to be submitted in 2018. The Philippines noted that future discussions, including on the LTC size, should be balanced by economic, efficiency and effectiveness considerations. Uganda commended innovative cost-saving measures, including remote interpretation services. The UK welcomed the ISA’s improved communication and information technology services. Bangladesh encouraged parties to deposit with the ISA charts or geographical coordinates showing the outer limit lines of the continental shelf, urging the Commission on the Limits of the Continental Shelf to expedite relevant considerations.

Transparency: Underscoring the need for greater transparency and inclusiveness, Tonga urged efforts to engage parties in ISA workshops, noting insufficient representation from sponsoring states and developing countries in previous workshops on the payment regime. Singapore encouraged involving a wide range of stakeholders through consultations, surveys, workshops and intersessional activities. GRULAC, supported by the DSCC, considered transparency a major concern, including in the relationships with contractors.

Morocco linked the need for transparency with the common heritage principle. The DSCC called for openness and effective participation in LTC’s meetings, as well as review of the outcomes of workshops for the draft exploitation regulations. The Philippines emphasized transparency in data sharing. WWF urged conducting independent scientific research to supplement contractors’ data, and publishing environmental data and national reports, only subject to specific protection of proprietary data according to prescribed procedures, querying how stakeholder inputs will be considered in the ISA’s decision-making and implementation.
PERIODIC REVIEW: On Wednesday, 16 August, Review Committee Chair Helmut Tuerk (Austria) presented the final report of the ISA’s first periodic review (ISBA/23/A/3), recalling that the Committee: reached consensus on all recommendations in the final report; decided not to pursue all recommendations submitted by the consultant, since some were quite far removed from the ISA’s practices, and others appeared premature at this stage of the ISA’s evolution, but could be considered in the future; and adopted a cautious approach to recommendations that were unlikely to be accepted by consensus. He recommended, for future reviews: conducting the review over a two-year period; ensuring regional group chairs’ participation; and striving for a higher response rate, including when using questionnaires.

Emphasizing that the Review Committee thoroughly analyzed, streamlined and rationalized the consultant’s recommendations within the parameters of UNCLOS and Part XI Agreement and that “the current system does not work well and we cannot continue to do business as usual,” Secretary-General Lodge presented his comments on the recommendations (ISBA/23/5/Rev.1), highlighting: the need for a strategic plan; a more substantive workload for the Assembly and a revised schedule to tackle the problem of low participation; the discussion of some recommendations already in the Council; a revised meeting schedule, including two Council meetings per year, within existing budgetary provisions; consideration of the Netherlands’ suggestion to schedule the Council meeting before the LTC; efforts to streamline the review of contractors’ reports, due to LTC work overload; and priority to adding environmental policy expertise in the Secretariat, for consideration by the Council in the next budgetary cycle. He noted that he did not provide a response to those recommendations that were addressed directly to the LTC.

Sharing his hope for a more ambitious outcome, the Netherlands expressed support for all the recommendations. Cautioning against considering recommendations from the interim report that were excluded from the final report, Japan stressed that most of the final recommendations are appropriate to tackle the challenges that the ISA is facing. Norway underscored that, compared to the interim report, the final recommendations are more specific, operational and consolidated. Jamaica argued that there are lessons to be learned from the review methodology and its consultation process.

Kamina Johnson Smith, Minister of Foreign Affairs and Foreign Trade, Jamaica, underscored limited funding threatens developing countries’ representation in the LTC and Finance Committee, and capacity building for small island developing states. The African Group accepted the Secretariat’s implementation of recommendations aimed at improving its internal processes, but, supported by Tonga, cautioned against implementing recommendations of strategic nature without guidance from members. Cautioning against simply taking note of the review report, Greenpeace stressed that the Assembly is mandated, under UNCLOS Article 154, to directly take a measure, or recommend that other organs take measures, on the basis of the report.

On Thursday, 17 August, Secretary-General Lodge introduced a draft decision (ISBA/23/A/L.2), encapsulating all 19 recommendations from the Review Committee. Review Committee Chair Tuerk clarified that: the draft decision clusters the Review Committee’s recommendations in a more reader-friendly way; the appointment of an interim director-general of the Enterprise is not advisable at present; new contracts need to be prescriptive; and a report to the Assembly on the status of contracts will be prepared at least once every five years. He also stated that the LTC is “the master of its own procedure,” and stressed the importance of: LTC working groups, especially on environmental matters; balanced expertise in the LTC; sharing and accessing environmental data, the promotion of MSR in the Area, and effective engagement of the scientific community; the submission of a draft strategic plan by the Secretary-General for consideration in 2018; and the financial provisions on the ISA rules and regulations regarding benefit-sharing. The Eastern European Group noted a contradiction between the request to continue to address the question of operationalizing the Enterprise as an important matter and deciding against the appointment of an interim director-general at present. Following extensive discussions and informal consultations, the revised draft decision was approved on Friday, 18 August, as amended orally with regard to the LTC election. Review Committee Chair Tuerk stated that the decision faithfully reflects the Review Committee’s recommendations and is “a great step forward in ISA’s history.”

Jamaica stressed that the review process is “a tremendous step towards the future, reenergizing the ISA’s agenda.” Japan urged implementing all recommendations within the approved budget, noting that calls for additional funds require approval by the Assembly.

Negotiations focused on the revised meeting schedule and on the LTC, in connection with earlier discussions in the Council on future LTC elections.

Revised meeting schedule: The Netherlands, supported by Germany, the UK and Belgium, reiterated his proposal to convene the Council before the LTC meetings, to allow “a more dynamic, interactive exchange of views, especially between the LTC and the Council.” Singapore underscored the need for more time for the Assembly to examine the Finance Committee’s reports. The African Group expressed concern about limited financial support for developing countries to attend additional meetings, recalling his proposal, considered under the Finance Committee’s report. Uganda pointed to contractors as a potential source of funds. GRULAC emphasized avoiding additional costs and low participation. India underscored a contradiction between cost-cutting measures, limited financial resources in the Voluntary Trust Fund, and the proposal for additional meetings, opposing two Council meetings per year.

Belgium, supported by France, Jamaica, Mozambique and the Pew Charitable Trusts, proposed a new specific voluntary trust fund to cover the costs for more frequent and transparent meetings. Belgium and Singapore supported the revised meeting schedule and more workshops on environmental, payment and legal issues. Japan suggested, together with the revised meeting schedule, a review of the LTC’s working methods to cope with its increasing workload. Norway proposed either altering the sequence, as proposed by the Netherlands, or extending the LTC’s winter session. The Republic of Korea recommended careful consideration of the Council’s workload and of the cost-effectiveness of proposed adjustments. Australia noted concerns about: budgetary implications; participation at additional meetings; compounding quorum issues; and sequencing of meetings.

On Thursday, 17 August, Secretary-General Lodge introduced a further revised meeting schedule for 2018-2019, including a proposal to establish a voluntary fund to defray developing countries’ participation costs related to additional Council meetings, noting its feasibility and confirming: the scheduling of additional Council meetings for 2018 and 2019; the integration of the suggestion from the Netherlands to reverse the order of
the LTC and Council meetings, so that the Council can give more guidance to the LTC, which in turn will have more time for its work; the inclusion of tentative milestones for the various meetings; and a reference to the Finance Committee’s preference for more flexibility on its meetings’ length and frequency, depending on its workload. Noting broad support for his proposal to establish a new voluntary trust fund, Belgium stated that a number of parties have already expressed interest in contributing.

The African Group, supported by Belgium, requested encouraging parties, observers and other stakeholders to contribute to the new voluntary fund. Requesting more time to consider the draft decision, the Asia-Pacific Group, noted potential budgetary implications of the proposed meeting schedule, indicating that a decision may be taken after discussing the draft strategic plan in 2018. India requested time to consult with capital. The Eastern European Group expressed concern about the increasing cost of attending two Council meetings, noting that it will, however, accelerate decision-making, querying the Finance Committee’s role on decisions that may have financial implications. GRULAC requested deleting references to the consultant that carried out the review, noting dissatisfaction with the methodology used. Argentina emphasized that the original documents containing the final report of the Review Committee and the corresponding responses by the Secretary-General were circulated well in advance, requesting clarifications on the way the Assembly will proceed with its deliberations, including whether textual suggestions will be considered, and on the nature of consultations with capitals that some delegations asked for.

Germany expressed full support for the further revised meeting schedule. Australia suggested recognizing the increased workload at this time. Norway commented on the impracticality of having two consecutive LTC meetings before a Council meeting in summer 2018, cautioning against a heavy workload for the Council the following week; and, with CANZ, underscored the number of parties have already expressed interest in contributing. LTC: Singapore underscored the focus of several recommendations on improving the ISA’s ability to deliberate on environmental issues, and the need for the LTC to focus on environmental issues in regulatory development. New Zealand highlighted the need for further environmental expertise in the LTC; and, with Uganda, Greenpeace and WWF, favored open LTC meetings, when confidential issues are not discussed. France and Norway suggested open workshops instead. GRULAC recommended taking into account the confidentiality of the LTC’s deliberations, supported by France, and its independence. The DSSC called for an open review process during LTC meetings of contractors’ EIAs and environmental monitoring programme. The Pew Charitable Trusts underscored the importance of adequate representation of environmental experts, especially biologists and ecologists, in the LTC. Myanmar suggested creating an economics working group. The Center for Polar and Deep Ocean Development suggested a new working group to study demand, supply and pricing trends for minerals. Norway suggested ad hoc, rather than permanent, working groups possibly meeting prior to the LTC, without additional budgetary burdens.

The Eastern European Group underscored encouraging the LTC to continue its practice of setting up working groups, stressing that all working group outcomes must be validated by the LTC as a whole. India stressed that the LTC requires more time for the exploitation code.

GRULAC and the African Group requested reference to their joint proposal on future elections of LTC members prior to the next election and no later than the 25th session. Norway, supported by the Asia-Pacific Group, cautioned against adding elements that were not included in the review report. India noted that the proposal had been introduced in the Council, which took note of the debate.

On Friday, 18 August, the Asia-Pacific Group questioned GRULAC’s proposal regarding the future elections of LTC members, noting that it is a separate issue from the Review Committee’s report, and, supported by Norway, proposed “noting Council’s discussions on the LTC future election,” rather than “taking into account the Council’s decision to further consider the joint proposal submitted by the African Group and GRULAC on the LTC future election.” Council President Fernández recalled absence of opposition to forwarding the joint proposal as a conference room paper, which was the Council’s decision. GRULAC and the African Group requested time for consultations on the Asia-Pacific Group’s proposal, cautioning about diluting their proposal. France pointed to the Council decision on the LTC elections taken at the previous session (ISBA/22/C/29). Norway indicated that it only specifies that a decision governing the next LTC’s election will be taken by the Council no later than its 25th session. India stressed that a pending issue in the Council, on which a recommendation was not agreed upon at this Council’s session. Jamaica requested further clarification about referring to a Council’s decision on LTC elections at this session.

Following another round of informal consultations, President Muyianga proposed “taking into account that the Council will finally consider the joint proposal submitted by the African Group and GRULAC prior to the next LTC election and no later than the 25th session. India, on behalf of the Asia-Pacific Group, stressed the need to exercise caution in making reference to the Council’s outcomes. Australia, with the African Group, Norway, the UK, the Czech Republic, Mexico and New Zealand, supported the amendment, noting, with GRULAC, Spain and Germany,
that it is “an elegant solution.” Jamaica urged delegates to come to a compromise. The Assembly accepted the oral amendment proposed by President Muianga.

**LTC working group on environmental issues:** The UK, Singapore and the Republic of Korea supported an LTC working group on environmental issues. Norway questioned the recommendation, noting that environmental issues should be addressed in a holistic and integrated way. Greenpeace urged, with WWF, establishing a stand-alone, advisory environmental committee, in line with the practices of the IMO, CBD and regional fisheries management organizations, with the DSCC indicating that this could be agreed upon at any time, irrespective of a review process.

**Secretariat:** Myanmar suggested adding expertise in economics in the Secretariat. New Zealand highlighted the need for: with Tonga, Nigeria, Australia, Uganda and the DSCC, further environmental expertise in the Secretariat; and greater openness in the work of the Secretariat, the LTC and the Authority as a whole. Australia suggested ensuring broad participation from parties and observers in any additional workshops.

**Data management:** Germany recommended continuously investing in high-quality data management and sharing, as well as reviewing the quality and consistency of data gathered, including for transparency purposes; and suggested adding reference “to ensure adequate funding” regarding the implementation of a database. Singapore supported the recommendations on sharing environmental data, suggesting further efforts towards protecting data integrity and continued consultations with contractors and other stakeholders to strike an appropriate balance between transparency and commercial sensitivity. Nigeria highlighted sharing and accessing environmental data collected by contractors. Supporting ongoing work, Thailand looked forward to finalizing the data management strategy by October 2018.

The UK underscored access to data, particularly environmental data, for all stakeholders. New Zealand, with Tonga, highlighted the need for sharing non-confidential information, including by making preliminary EIAs public. Australia, supported by New Zealand, prioritized enhancing the quality of environmental data provided by contractors. Greenpeace also favored sharing national reports. The DSCC recommended sharing information on contractors’ performance, in the development of rules and regulations on contractors. The Netherlands stressed that the exploitation code, with contractors. The Netherlands supported the formulation of a strategic plan together with the roadmap for the development of exploitation regulations. The UK supported a strategic plan for ensuring timely progress towards developing the exploitation code. Tonga recommended a results-oriented strategic plan, complemented by a monitoring and evaluation mechanism for follow-up, budgetary planning and accountability purposes. China suggested that the ISA conduct an urgent, in-depth study of the policies, technologies, economics, environmental protection measures, and development trends linked to the commercial exploitation of deep-sea mineral resources.

New Zealand recommended that the strategic plan include the environmental aspects of the ISA’s work. Jamaica, supported by the DSCC, urged developing an environmental management strategy, rather than just a strategic plan, with IUCN recommending that it lay out key steps for advancing marine scientific knowledge, understanding potential mining-related impacts, and identifying necessary conservation measures. WWF called for the strategic plan to include milestones to measure progress, and be linked to a timetable and process for implementing listed ISA decisions. GRULAC recommended inviting the Secretary-General to inform delegations on progress in developing the strategic plan.

**Transparency of financial provisions:** Thailand underscored transparency in developing the benefit-sharing regime, stressing special considerations for developing countries’ needs. Germany recommended continuously investing in high-quality data management and sharing, as well as reviewing the quality and consistency of data gathered, including for transparency purposes; and suggested adding reference “to ensure adequate funding” regarding the implementation of a database. Singapore supported the recommendations on sharing environmental data, suggesting further efforts towards protecting data integrity and continued consultations with contractors and other stakeholders to strike an appropriate balance between transparency and commercial sensitivity. Nigeria highlighted sharing and accessing environmental data collected by contractors. Supporting ongoing work, Thailand looked forward to finalizing the data management strategy by October 2018.

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**Environmental issues:** Minister Johnson Smith, Jamaica, underscored: the ISA’s work as stewards of the Area resources for present and future generations and its responsibility to protect the marine environment, urging establishing a standard of “acceptable harm” to the environment informed by the views of all stakeholders, as an essential element of an environmental management strategy; the role of the Assembly as the “supreme organ” of the ISA in considering issues of a general nature, such as shortcomings in fulfilling the ISA’s mandate to protect the environment and apply precaution; the Netherlands’ submission on a tentative approval process of environmentally responsible mining technologies and the possibility to use market-based mechanisms to ensure contractors’ environmentally responsible conduct; and the need to develop EMPs. Chile stressed the need for strict environmental requirements for contractors in the exploitation regulations, on the basis of advice from the Council, cautioning against selecting LTC members with interests or links with contractors. The Netherlands stressed that the exploitation regulations should include a clear requirement on having a domestic legal framework in force before a country can become a sponsoring state.

**Participation and coordination:** China, supported by the African Group, suggested: emphasizing the importance of universal participation, in particular developing countries’ participation, in the development of rules and regulations on deep-sea mining; and encouraging the Secretary-General to enhance coordination and collaboration with other relevant international organizations, so as to ensure the rights of sponsoring states and contractors be effectively safeguarded, with New Zealand, supported by the African Group, adding reference to “other relevant stakeholders.” The Cook Islands questioned potential implications.

**Final Decision:** In the final decision (ISBA/23/A/L.2/Rev.2), the Assembly:

- approves the periodic review’s final report;
- decides that the appointment of an Enterprise’s interim director-general is not currently advisable, requesting the LTC to continue addressing the operationalization of the Enterprise as an important matter in light of deep-sea mining developments; and
invites parties to review their national legislation to control contractors’ activities, drawing on the advisory opinion of ITLOS Seabed Dispute Chamber.

In addition, the Assembly endorses the revised meeting schedule for 2018-2019, recognizing the ISA’s current increased workload, underscoring the importance of timely document distribution for future meetings, and requesting the Secretariat to establish a voluntary trust fund to defray developing-state Council members’ participation costs in the Council’s second annual meeting, encouraging contributions from all member states, observers and other stakeholders.

Regarding the LTC, the Assembly encourages the Commission to hold more open meetings, to allow greater transparency in its work; and continue establishing working groups on different areas of expertise, considering the establishment of an environmental working group. In addition, the Assembly further requests the Council to:

- consider the LTC’s increased workload and reflect on the balance of expertise and specialization areas within the LTC, and
- request the Secretariat to provide relevant details to parties for inviting the nomination of candidates, taking into account that the Council will finally consider the African Group and GRULAC’s joint proposal on the LTC election prior to the next one, and no later than the 25th Assembly session.

On Secretariat functions, the Assembly requests the Secretariat to:

- submit a draft strategic plan, for defining the strategic direction and aims of the ISA, to the Assembly for consideration at its 24th session in 2018, and regularly inform members on the plan’s progress;
- continue its review of the skills and expertise within the Secretariat as a matter of priority, factoring it into the next budget cycle;
- continually update sponsoring states’ national laws, regulations and administrative measures on Area activities, and provide the Council with a comparative study of existing national legislation, to derive common elements, before the end of 2018;
- continue providing meaningful feedback to contractors, including by holding more regular contractors’ meetings in Kingston, as well as through direct bilateral contacts at the technical level; and
- explore, with the LTC and contractors, additional measures to improve the reviewing process of annual reports and workplans, and present a report on the contracts’ status at least once every five years to the Assembly.

Regarding data management, the Assembly:

- emphasizes the importance of sharing and accessing environmental data and that the highest importance be attached to the promotion and coordination of MSR in the Area and knowledge dissemination for the benefit of all parties, especially developing states;
- affirms that non-confidential information, such as on the protection and preservation of the marine environment, be shared widely and be accessible; and
- encourages the Secretariat to ensure funding for implementing a database, including a data quality and consistency review, urging contractors to work with the ISA in such a review and fill gaps in data coverage.

Regarding the draft exploitation regulations, the Assembly:

- emphasizes the importance of: developing in a transparent manner the ISA’s finance provisions in connection with benefit-sharing, bearing in mind special consideration for developing countries’ needs;
- emphasizes universal participation in developing the regulations, particularly developing countries’ participation; and
- requests the LTC and Council to consider requiring, in the exploration and exploitation regulatory framework, that new contracts, including extensions, be prescriptive, with standard terms and conditions and detailed workplans setting clearing objectives, so that they can be monitored and enforced.

On coordination and cooperation, the Council encourages the Secretariat to: enhance coordination and cooperation with international organizations and stakeholders, taking into account sponsoring states’ and contractors’ rights; and consider how to engage more with the scientific community and Area-related deep-sea science projects and initiatives, including by leveraging extrabudgetary funds.

**FINANCIAL AND BUDGETARY MATTERS:** On Thursday, 18 August, Finance Committee Chair Przybycin: introduced the report of the Finance Committee (ISBA/23/A-8-ISBA/23/C/10); underscored the need to provide guidance to prioritize the use of limited funds; and confirmed, in connection with the revised meeting schedule, the Secretary-General’s comment on budgetary cost-neutrality, while drawing attention to the financial consequences for delegations and likely increased funding requests to the Voluntary Trust Fund. Delegates adopted a decision on financial and budgetary matters, acting on the recommendation of the Council (ISBA/23/A/L.4, see Council discussion on page 5), without amendments.

**STAFF REGULATIONS:** On Thursday, 18 August, delegates adopted a decision on revised staff regulations, taking into account the Council’s recommendations (ISBA/23/A/L.3, see Council discussion on page 5), without amendments.

**CREDENTIALS COMMITTEE:** On Thursday, 18 August, Credentials Committee Chair Ye Minn Thein (Myanmar) confirmed acceptance of the credentials of the representatives participating in the session. Delegates adopted a decision on credentials (ISBA/23/A/9) without amendments.

**OTHER MATTERS:** On Thursday, 18 August, Chile called attention to a written proposal jointly circulated with Ecuador and Panama, on “fundamental concerns,” recommending that the Council and the Assembly instruct the LTC and the Secretariat to fulfill the ISA’s mandate to regulate exploration and exploitation in the Area, so as to eliminate or minimize environmental impacts with efficiency and transparency. Ecuador emphasized the aim of “zero impacts” on the marine environment. Panama prioritized creating an environmental affairs department in the Secretariat and adopting environmental management measures in light of the polluter-pays principle.

The African Group proposed, and delegates agreed, to elect Morocco to the Council. The African Group further suggested establishing a museum at the ISA, in the name of former Secretary-General Nii Allotey Odunton (Ghana), to raise awareness about the ISA’s work. Many welcomed the proposal, with Argentina, Canada and others raising the issue of budgetary implications. China, supported by Belgium, France, Ecuador and the Philippines, suggested a two-step approach, by developing a report through a working group under the Finance Committee, and adopting an Assembly decision on where and when to establish the museum.

**CLOSING PLEINARY:** On Friday, 18 August, the Secretariat announced that the dates for the next session will be proposed in due course. Assembly President Muianga stressed that “we have achieved much, but still have much to achieve”; wished progress
towards broader participation in the ISA’s work; thanked all the participants for working constructively; and gavelled the meeting to a close at 3:50 pm.

A BRIEF ANALYSIS OF ISA-23

“The common heritage of humankind is a major innovation in international law: its revolutionary vision has far-reaching implications, particularly at this juncture when ocean sustainable development is at the top of many national agendas.” With these earnest words, the African Group summed up both the unique history and mandate of the International Seabed Authority—the only functioning international organization that directly regulates and manages natural resources that no state can appropriate for itself—and its challenges in delivering the promises of the common heritage: sharing financial benefits and advancing marine science for present and future generations, while ensuring the protection of the greatest, least-known and most fragile ecosystems on earth.

This brief analysis will place the first periodic review of the ISA in the context of this “transition phase” in which the ISA currently finds itself and, against this background, discuss the steps taken at this session towards increasing transparency to ensure the ISA’s accountability vis-à-vis humankind, and achieving the appropriate balance between conservation and sustainable use in developing the exploitation regulations.

TRANSITION

Positioned amidst the concerns about the numerous threats to ocean health, multiplied by climate change impacts, and hopes for solution raised at the UN Ocean Conference, this session of the ISA was to take stock of more than 20 years of operations in the context of the first periodic review of the regime. Delegates eagerly awaited the review, especially since the ISA is expected to transition over the next two years from a preliminary phase of managing the prospecting and exploration for minerals in the deep seabed into finalizing regulations for their exploitation. While a contractor indicated that mining on a commercial scale in the depths of the oceans may not begin for another few years after 2020, the regulatory system needs to be ready earlier so that investors can have certainty both about their contribution to monetary benefit-sharing arrangements under the common heritage regime, and the costs associated with implementing required environmental safeguards. As to the latter, observers drew attention, in plenary and in side-events, to increasingly worrying scientific findings indicating that deep-sea mining will lead to inevitable (and likely irreversible on human timescales) biodiversity loss.

Delegates mentioned this critical juncture for the ISA many times as the Assembly engaged in an extensive discussion of the final report of the review. Some believed that the review’s recommendations could have been more ambitious, recalling the 34 recommendations prepared by external consultants in their revised interim report discussed at the previous session in 2016. Others, however, were concerned about the low level of participation by states throughout the review and preferred a pragmatic and incremental approach, noting that the periodic review will be undertaken every five years and some of the recommendations set aside can still be considered before then. In line with the pragmatic approach, the Assembly’s decision incorporated 19 consensus recommendations of the Review Committee. The Committee, comprising the Assembly and Council Presidents, and the Assembly Bureau, with the Chairs of regional groups participating as observers, had cautiously screened out the consultants’ recommendations that appeared removed from the ISA’s practices, or premature at this stage of the ISA’s evolution. The adoption of an Assembly decision on all of the Review Committee’s recommendations was hailed as “a great step forward in ISA’s history” by Review Committee Chair Helmut Tuerk. Most delegations were in effect pleased with the decision as a “first step” towards strengthening the ISA and improving its chances to deliver the promises of the common heritage regime. As opposed to those expecting a minimalist approach whereby the Assembly would have just taken note of the final report of the review, the decision was seen by many as an indication of ISA members’ taking full ownership of each recommendation.

TRANSPARENCY

Transparency was a leitmotif in the review, as well as in other discussions in the Assembly and the Council. Repeated requests were made to: share as widely as possible information in the hands of the ISA that is not commercially sensitive; open up subsidiary bodies’ meetings and technical workshops to broader participation by states and observers; increase opportunities for inputs through consultations and surveys, and explain how these inputs will be taken into account during decision-making; and find additional ways to enhance transparency in the relationships between the ISA and contractors.

The Assembly decision to share information, particularly environmental information, together with the progress already made by the ISA Secretariat in implementing the data management strategy, were warmly welcomed, including an online database that can be helpful also to other international processes and researchers on a variety of ocean-related environmental management issues. Given that the environmental information is to be provided by contractors, another transparency-related request was made in the Council with regard to cases of contractors’ non-compliance. These are typically identified in the Legal and Technical Commission (LTC), which is charged with assessing contractors’ annual reports. Resulting instances of non-compliance are then raised in an anonymous form in the Commission’s report to the Council, which can take measures on the matter, including imposing sanctions. Some Council members, however, noted that the current practice does not allow them to identify the gravity or recurrence of non-compliance, or even who the non-compliant contractor is. As a result, the Council requested the Secretariat and/or the LTC to provide further details on these cases to the Council, but not right away. Instead, they will provide details of the contractor, its non-compliance issue, and proposed recommendations only when the contractor has not responded to a specific request in the Secretariat’s letter. According to some, this may still lead to potential naming-and-shaming in the Council, but only after contractors are given the opportunity to solve the matter cooperatively with the LTC and the Secretariat.

Another key transparency-related moment in the Council occurred when the LTC invited the Secretariat to post online, for all to see, the draft exploitation regulations that had initially been prepared by the Secretariat exclusively for the Commission’s review. The more than 100-page draft was released during the Council’s session for discussion a few days later, without reflecting the views of the LTC. As expected, the Council’s discussion was not comprehensive or very detailed: it mainly focused on how to ensure a more in-depth and interactive dialogue with the LTC in the future. This discussion spilled into the Assembly’s consideration of the periodic review decision, specifically the revised meeting schedule. The main concern was
to “disentangle” the meetings of the LTC and the Council that currently overlap in part, with the result that Council delegates are only provided with an LTC report for discussion a couple of days in advance, with obvious limitations in terms of preparations and consultations with capitals and stakeholders. The Assembly thus adopted a proposal to increase the number of Council meetings to two per year for the next biennium, to provide more time to entertain discussion during the Council session itself, and to sequence Council’s meetings before those LTC meetings that are considering matters that require discussion in the Council. The underlying rationale is that the LTC, which is a subsidiary body under the Council, is the place where most substantive decisions are actually made. This paradox explains the repeated calls for LTC meetings to be open, unless confidential matters are addressed, and the prolonged and highly political discussion about ensuring geographical balance in LTC future elections. While the question of geographical balance remains open, the decision on the periodic review provides an opportunity for the Assembly, in its role as the supreme organ of the ISA, to give direction to the LTC, including about holding open meetings. On the whole, many participants expect that the revised meeting schedule will engender a renewed, mutually responsive Council-LTC relationship. Some, however, were left wondering whether the LTC as “the master of its own procedures,” may opt to maneuver around some of the recommendations. Others speculated that the balance of respective responsibilities, attitudes and capacities of the LTC and the Secretariat will eventually determine the practical impact of the first review in the near future.

BALANCE

Balance was another recurring theme during the ISA deliberations at this session, not only with regard to the balance among the ISA organs and bodies. The discussion of the draft exploitation regulations, for instance, raised questions about the balance of responsibilities between the ISA and sponsoring states in monitoring contractors and protecting the marine environment. Balance is also required in addressing the role of contractors under the common heritage regime, as underscored by some sponsoring states. Contractors’ advanced research and technological development is a prerequisite for making sustainable commercial mining in the deep seabed a reality and subsequently contributing to what is expected to be multi-million monetary benefit-sharing. Furthermore, their current exploration activities are needed to gather baseline data to develop environmental management plans, which are in turn necessary to avoid or minimize environmental harm.

At the same time, without discouraging contractors’ high-risk investment, the ISA has the task to effectively ensure the protection of the marine environment from contractors’ activities for the benefit of present and future generations. This task is particularly challenging: a growing number of side-events run by NGOs and scientists illustrated that humans are just discovering the interactions between deep-sea minerals and marine organisms, particularly in hyper-fragile and little-known habitats such as seamounts and hydrothermal vents that have huge bioprospecting potential to contribute to global health and food security, and possibly to benefit-sharing under a new international legally binding instrument on marine biodiversity of areas beyond national jurisdiction, that is currently being negotiated under the UN General Assembly. Not to mention, as an observer noted, the role of some organisms in the deep seas to contribute to continued oxygen production in the oceans, which is necessary also for human survival on earth.

The capacity and expertise of the Secretariat and LTC to tackle such a daunting task were repeatedly questioned during the session, culminating in the Assembly’s adoption of the recommendations to the Secretariat to review its skills and expertise as a matter of priority (since there is currently only one scientific officer at the ISA), and to the Council to consider the LTC’s balance of expertise when inviting the nomination of candidates. Related recommendations on enhancing cooperation with international organizations and stakeholders, and engaging more with the scientific community, were also seen as promising steps in drawing in external expertise and complementing contractors’ data and assessments, as some observers cautioned about contractors’ vested interests in reporting on biological and environmental risks. A colder reception, however, was reserved for the recommendation to consider the creation of an environmental working group under the LTC, with NGOs noting that this is simply a way to organize work within the same limited environmental expertise available in the Commission, rather than provide for a self-standing advisory body with the necessary expertise, which is the usual feature of other multilateral environmental agreements and regional fisheries management organizations. One delegation also pointed to the risk of placing environmental issues in a silo, rather than looking at them in an integrated manner within the LTC.

The question of balancing conservation and sustainable use also surfaced in the context of the first application for an exploration work plan including an area that has already been described as an Ecologically or Biologically Significant Marine Area (EBSA) under the Convention on Biological Diversity (CBD), which was adopted by the Council without discussion. This was followed by a proposal from some European countries to request the LTC to consider EBSAs or Vulnerable Marine Ecosystems (VMEs) for any new contract application, which was eventually deleted from a Council decision due to opposition from members of the Latin American and Caribbean Group. While the counterarguments were not voiced in the Council’s plenary, the opposition was rumored to be based on the fact that EBSAs do not have management implications in and of themselves: “They are merely a source of scientific and technical information; they should not be seen as marine protected areas waiting to be established,” explained an insider. In addition, other participants recalled, in the corridors, that certain CBD parties have misgivings about the overall EBSA process, as a result of which intersessional work is ongoing under the CBD to strengthen its scientific credibility and transparency. On the other hand, environmental policy experts observing the Council session questioned the soundness of the current approval process, where contractors check for “marine protected areas, essential navigation lanes or areas of intense fishing activity,” making reference only to treaties under the International Maritime Organization, but not relevant CBD obligations. One way or other, the expectation that the ISA as a whole has to step up its efforts to address the balance between environmental protection and sustainable use was clearly spelled out at this session. Jamaican Minister Kamina Johnson Smith urged establishing a standard of “acceptable harm” to the environment that should be informed by the views of all stakeholders, in the interest of present and future generations. Chile, Ecuador and Panama proposed creating an environmental affairs department within the Secretariat, to prevent and mitigate environmental harm and operationalize the polluter-pays principle. The Netherlands’ submission to the Council, on which there was no time for a detailed discussion but
which was forwarded to the LTC, raised the issue of certifying environmentally responsible mining technologies. And NGOs underscored that the ISA needs to be prepared to answer some tough questions in the very tight timeframe set for developing the exploitation regulations: “How much biodiversity loss will be allowed? Can limits be placed and enforced to avoid exceeding allowable loss? And how will the ISA justify such biodiversity loss in terms of benefits to humanity?”

LINGERING QUESTIONS

With some of the above recommendations due to be implemented shortly to allow the Council to hold its “Part I” meeting in spring 2018, and others, particularly those requiring changes in long-standing institutional attitudes, more difficult to predict, the lion’s share of attention during the next intersessional period will be divided between the LTC and stakeholders’ comments on the draft exploitation regulations and the development of a strategic plan for the ISA. As called for in the periodic review, the strategic plan will provide both a test for transparency, with the Secretariat being requested to keep members regularly updated, and for striking a balance between sustainable development and protection of the marine environment in giving overall direction to the Authority. As to the latter, Jamaican Minister Johnson Smith emphatically requested that the strategy focus on environmental concerns and on precaution.

The strategic plan may also provide an opportunity to address another enduring concern in the ISA architecture, the paradox between the low-key role that the Assembly plays in practice and its role on paper as the “supreme organ” of the common heritage regime. While this session has mainly addressed the relationship between the Council, the LTC and the Secretariat in developing the exploitation regulations and monitoring contractors, “the role of the Assembly remains to be reinvented,” commented a participant, wondering if the strategic plan could engender a discussion on how to transform the half-empty Assembly into a vital space for discussing systemic issues of importance for present and future generations.

UPCOMING MEETINGS

4th International Marine Protected Areas Congress: The IMPAC4 will convene under the theme “MPAs: bringing the ocean and people together.” It is expected to be one of the last milestones in the road of conferences on marine conservation before reaching the 2020 deadline for the Aichi Biodiversity Targets. dates: 4-8 September 2017 location: La Serena, Chile email: impac4@mma.gob.cl www: http://www.impac4.org/

48th Pacific Islands Forum (PIF) Leaders Meeting: The gathering will include: the Smaller Islands States Leaders Meeting (4 September); the Pacific ACP Leaders Meeting (5 September); the Official Opening of the 48th Pacific Islands Forum (5 September); the Forum Leaders Dialogue with Civil Society Organizations and Private Sector (6 September); the 48th PIF Plenary Sessions with Associate Members and Forum Observers and Post Forum Dialogue Partners (7 September); and the Forum Leaders Retreat (8 September). dates: 4-8 September 2017 location: Apia, Samoa contact: PIF Secretariat email: media@forumsec.org www: http://www.forumsec.org

Sixth Session of Meeting of the Parties to the Aarhus Convention, Third Session of the Meeting of the Parties to Protocol on PRTRs, Joint High-level Segment: The sixth session of the Meeting of the Parties to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention), the third session of the Protocol on Pollutant Release and Transfer Registers (Protocol on PRTRs), and associated preparatory meetings will discuss achievements and challenges in promoting effective access to information, public participation in decision-making and access to justice in relation to issues affecting the environment. The joint High-level Segment will focus on the role of the Aarhus Convention and its Protocol in implementing the SDGs. dates: 11-15 September 2017 location: Budva, Montenegro contact: Aarhus Convention Secretariat phone: +41-22-917-2682 email: public.participation@unece.org www: http://www.unece.org/index.php?id=44094/

Seventy-second Session of the UN General Assembly: The 72nd Regular Session of the UN General Assembly will begin on Tuesday, 12 September 2017 at UN Headquarters. Among other items, the General Assembly is expected to decide whether to convene an intergovernmental conference to elaborate the text of an international legally binding instrument on biodiversity of areas beyond national jurisdiction. location: UN Headquarters, New York www: http://www.un.org/en/ga/


Our Ocean Conference: The European Union will host the fourth “Our Ocean” Conference, which will focus on ocean and climate change, marine pollution, sustainable fishing, and sustainable blue growth, including tidal and wave technology. The Conference will also report on and review implementation of commitments made at previous “Our Ocean” Conferences and seek new commitments. dates: 5-6 October 2017 location: Malta contact: Ramon van Barneveld phone: +32-229-84602 email: Ramon.Van-Barneveld@ec.europa.eu www: https://ourocean2017.org/

Fourth Intergovernmental Review Meeting on the Implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities: The Fourth Intergovernmental Review Meeting on the Implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA) will take place in Bali, Indonesia. The Intergovernmental Review Meeting is a forum where governments and other stakeholders review the status of the implementation of the GPA and decide on action to be taken to strengthen its implementation. dates: 23-27 October 2017 location: Bali, Indonesia contact: UNEP GPA Coordination Office email: gpa@unep.org www: http://www.unep.org/nairobibconvention/unep-global-programme-action-unepgpa

World Ocean Council’s Sustainable Ocean Summit (SOS): Under the theme, “The Ocean Sustainable Development Goal (SDG 14): Business Leadership and Business Opportunities,” the summit will focus on: ocean business community leadership
in achieving SDG 14; and business growth and investment opportunities of ocean sustainable development. SOS 2017 will also aim to advance the development of SDG targets and indicators being developed with and for the Ocean Business Community via the World Ocean Council; address the other SDGs and how they relate to the ocean and also create the need for business leadership and opportunities for business growth and development; and build on the results and momentum of the UN Ocean Conference and other ocean events in 2017.


Sixth International Marine Debris Conference: The US National Oceanic and Atmospheric Administration (NOAA) and UN Environment will organize the Sixth International Marine Debris Conference (6MDC). The conference will promote international coordination efforts within the marine debris community, and it will build on the partnerships and successes of the Honolulu Strategy, which was developed at the last conference in 2011. dates: 12-16 March 2018 location: San Diego, California, US email: info@6MDC.org www: http://internationalmarinedebrisconference.org/


4th World Conference on Marine Biodiversity: This meeting will bring together scientists, practitioners, and policy makers to discuss and advance understanding of: climate change impacts on marine biodiversity; cumulative impacts of human activities on marine biodiversity; marine ecosystem safety; role of systematics in understanding ocean change; bioinformatics and data delivery; analytical approaches in marine biodiversity science; integrative frameworks for linking environmental and biological drivers of biodiversity; linking biodiversity to ecosystem function and services; blue biotechnology and marine genetic resources; marine policy and law; marine biodiversity and human health; marine biodiversity education and outreach; and strategies for conservation of marine biodiversity. dates: 13-16 May 2018 location: Montreal, Quebec, Canada contact: 4th WCMB Congress Secretariat phone: +1-514-287-9898 ext. 334 fax: +1-514-287-1248 email: wcmb2018secretariat@jpdl.com www: http://www.wcmb2018.org/

IMCC5: The Society for Conservation Biology’s 5th International Marine Conservation Congress will bring together conservation professionals and students to develop new and powerful tools to further marine conservation science and policy.


For additional meetings, see http://sdg.iisd.org/