

## Summary of the Twenty-fourth Annual Session of the International Seabed Authority (Second Part): 16-26 July 2018

The second part of the 24th Session of the International Seabed Authority (ISA) was held from 16-20 July 2018 for the Council, and from 23-26 July for the Assembly in Kingston, Jamaica. The Council and Assembly were preceded by meetings of the Legal and Technical Commission (LTC) (2-13 July) and of the Finance Committee (9-12 July).

The Council considered:

- models for a financial payment system;
- draft regulations on deep-seabed mining;
- contractors' non-compliance issues; and
- the possible operationalization of the Enterprise.

The Assembly considered:

- a strategic plan for 2019-2023;
- the annual report of the Secretary-General; and
- the proposed budget for 2019-2020.

Approximately 150 participants from national governments, civil society, contractors, and academia attended the Council, and 220 attended the Assembly. The Council made progress on the draft exploitation regulations, while recognizing the need for further work on the payment mechanism, environmental protection, and the Enterprise. The Assembly adopted the strategic plan for 2019-2023, with many welcoming the open consultation that preceded it and the placing of the ISA's mandate in the context of the Sustainable Development Goals (SDGs).

### A Brief History of the International Seabed Authority

The 1982 United Nations Convention on the Law of the Sea (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 humankind. "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, principally in the Clarion-Clipperton Zone beneath the Pacific Ocean. They contain nickel, copper, cobalt, and manganese, among other metals. Other minerals have since then 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. Polymetallic sulphides 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; and
- 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 Implementing Agreement addresses fiscal arrangements and costs to state 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.

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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 and originally consisted 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 22nd session in 2016. 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 reports of the LTC to the Council are discussed during the annual sessions of the ISA.

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, 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’s 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 first periodic review of the ISA pursuant to UNCLOS Article 154. The Council, *inter alia*: welcomed the LTC’s work on the framework of 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 a payment mechanism;
- a data management strategy and plan;
- environmental management issues, including strategic environmental assessments (SEAs), criteria/measures for the precautionary approach, establishment of regional environmental assessment processes and regional environmental management plans (REMPs), options for an environmental impact assessment (EIA) process, including public participation; and
- the establishment of a legal working group on responsibility and liability.

**23rd Session:** At its 23rd session (8-15 August 2017), the Assembly discussed the final report of the first period review of the ISA and adopted decisions addressing transparency and environmental issues. The Council considered the first report of the Secretary-General on the implementation of the Council’s decision adopted in 2016, and draft exploitation regulations, which were released by the Secretariat in the form submitted to the LTC, which had convened from 31 July – 9 August 2017. The draft exploitation regulations were open for stakeholder comment on the basis of a series of general and specific questions proposed by the Secretariat. The Council also adopted a decision on a revised meeting schedule to engender a mutually responsive dialogue between the Commission and the Council on the draft exploitation regulations.

**24th Session (Part I):** The first part of the 24th annual session of the ISA consisted of a meeting of the ISA Council (5-9 March 2018), followed by a meeting of the LTC (12-23 March). The draft exploitation regulations were addressed in an informal format in the Council, with a view to conveying non-binding guidance to the LTC, in the form of a Council President’s statement. Delegates exchanged views on:

- understanding the pathway to exploitation and beyond;
- the payment mechanism;
- the role of the sponsoring state (which has the responsibility to ensure, within its legal system, that a contractor carries out activities in the Area in conformity with the terms of its contract and UNCLOS obligations);
- the role and legal status of standards, LTC’s recommendations and guidelines;
- broader environmental policy and regulations on exploitation; and
- the roles of the Council, Secretary-General, and the LTC in implementing the regulations.

Participants focused their attention on: a payment mechanism; the need to strengthen the draft regulations with regard to the implementation of the common heritage of humankind; and the protection of the marine environment.

## Council Report

On Monday, 16 July, Council President Olav Myklebust (Norway) opened the meeting, underscoring considerable progress achieved on the draft exploitation regulations and the important task of implementing the common heritage principle. ISA Secretary-General Michael Lodge underlined the ISA’s mandate not only to regulate seabed mining but also to promote research and capacity building. He noted increased participation in Council meetings and a larger number of side-events.

Secretary-General Lodge outlined a proposed indicative programme of work, noting that the report of the LTC meeting, held immediately prior to the Council, would be circulated later in the week, due to the time needed for translation. Brazil and Chile expressed concern about discussing the draft regulations before the LTC report was circulated. Secretary-General Lodge drew attention to a separate LTC note, issued on 10 July, describing LTC's recent work on the regulations (ISA/24/C/20). President Myklebust proposed sharing the LTC report in English first, while it is being translated as soon as possible, and holding discussion on the basis of the LTC note, already issued.

Alfonso Ascencio-Herrera, ISA Legal Counsel and Deputy to the Secretary-General, introduced documentation on the election to fill LTC vacancies (ISA/24/C/16-17). Delegates elected Martín Mainero (Argentina) and Shengxiong Yang (China) as new LTC members.

### Financial Payment System

On Monday, 16 July, the Council discussed the financial payment in an informal setting, on the basis of a presentation by Richard Roth, Massachusetts Institute of Technology (MIT). The Council discussed the way forward on Friday, 20 July.

**MIT Presentation:** Roth delivered a presentation titled, "Update on Financial Payment Systems: Seabed Mining for Polymetallic Nodules." He discussed methods to assist the Council in making informed decisions, addressing:

- a review of seabed nodule mining;
- an outline of the decisions facing the ISA;
- a cash-flow approach;
- goals for dividing up the revenues; and
- payment mechanisms, notably *ad valorem* (a royalty on the minerals found in the nodule) and after-tax profit (a percentage of contractors' profits).

Noting implications for the financial payment mechanism, he pointed out the need for financial, regulatory, monitoring and enforcement decisions with respect to the management of seabed resources. Roth outlined potential revenues and expenses over a contract's lifetime, emphasizing that capital expenses may result in investors waiting 10-12 years before collecting revenue, and investors will only engage in exploitation if discounted future revenues suffice to provide a competitive return on investment. He highlighted the ISA decisions affecting the cash flow, namely: contract duration; one-time and/or annual license fees; monitoring requirements, which will impact on contractors' upfront investment and operating costs; and revenue-sharing.

Roth clarified that revenues will have to be divided among contractors; the ISA, to cover costs and distribute to member states; and a potential environmental fund for contingencies. Noting that investors require higher return rates for projects with higher risk levels, he stated that deep-sea mining is higher risk than land-based mining, so it would need a higher return on investment, which is typically 15% or higher.

He noted the need to build models that assess all costs and revenues to inform revenue-sharing decisions. He observed that, although there are 100 years of history for metal markets, there is no current market for nodules; adding that metal markets are highly fluctuating, which make long-term forecasts uncertain.

Roth also presented on: the price of extracting metals from the nodules, which negatively affects their value; challenges in understanding the costs of processing nodules; economic consequences of different processing options; and possible impacts of seabed mining on metals markets.

**Discussion:** In responding to issues raised at the March Council meeting, Roth clarified that the financial model only includes direct environmental costs, such as contractors' costs and environmental bonds, but not monetization of environmental damage. Roth identified among areas for further work: enhancing modeling cases for polymetallic nodules; models for other seabed minerals; and assessment of environmental costs/benefits. He invited the Council to select models for further analysis.

In response to questions from Algeria, on behalf of the African Group, Roth underscored that deep-seabed mining, despite being in geopolitically stable areas, represents significant technological challenges that impact on investors' buy-in.

Chile questioned the need for the ISA to investigate return projections or to guarantee a certain level of profit for contractors. Roth responded that this may not be important in an *ad-valorem* system, but the ISA still needs to decide the minimum revenue needed to make mining worthwhile for the benefit of humankind. Cameroon queried whether the baseline data for the model originated from contractors, the ISA or states. He lamented that the proposed financial model does not completely take into account the principle of common heritage, including its cultural value, in accordance with the letter and spirit of UNCLOS; and questioned the need to provide incentives to contractors. Roth responded that baseline data comes from multiple sources, including historical market data, publicly available price forecasts from mining industry experts, and data collected from investors.

Australia asked Roth about the pros and cons of *ad-valorem* and after-tax models, particularly with regard to monitoring and risks. Roth indicated the after-tax model presents more monitoring difficulties and is more dependent on market fluctuations in terms of financial risks. Australia also commented on current land-based mining challenges that could be relevant for seabed mining, such as the relation to metal prices or environmental analyses; and inquired about the kind of analysis necessary for sulphides and crusts. Roth suggested "getting right" the nodules' model before starting the analysis for the two other minerals.

India recommended taking into account geographic differences, such as variability in the availability of nodules. Roth clarified that the Clarion-Clipperton Zone is the baseline for the financial models, but other regions could also be used. He reiterated the need for data when estimating capital expenses and operational expenses, suggesting that the financial community could cooperate by informing the ISA of the average premium required to engage in deep-seabed mining.

China inquired if national taxation was taken into account in the modeling, in the context of sponsoring states' obligations. Roth explained that a tax to sponsoring states is not included in the model. On a question from Brazil, Secretary-General Lodge responded that while the payment system is not a "tax," the ISA is a unique international organization that collects value from a resource that has special status as common heritage of humankind, which is redistributed to help achieve the SDGs. Chile stressed that royalties are forms of compensation that companies have to pay for using resources belonging to the common heritage. He also noted they are different from a tax and that 100% of the royalties should be allocated to the international community, while the ISA costs would be covered through payments by the countries benefitting from deep-seabed mining revenues. Singapore urged taking UNCLOS principles as the starting point for any revenue-sharing approach, requesting clarification on potential costs for the ISA's implementation of the two approaches. Roth clarified that his analysis has not yet assessed costs for the ISA, but he expects that an *ad-valorem* system would entail less monitoring costs.

The African Group drew attention to their submission on the economic regime in the draft regulations, including a financial model for nodules that could complement the MIT model. The Netherlands asked if the data that contractors must provide to the Authority can inform the payment analysis and help the Council choose between different options.

Panama raised concerns about the absence of environmental risk calculations. Roth replied that “normal” costs, such as monitoring and treating slug water, were included, while valuation of potential environmental damage was not, recommending the Council seek additional expertise to that end. Tonga underscored the importance of understanding the estimated value of the environment at stake to be able to strike an appropriate balance between protection of the environment and sustainable exploitation of resources. The Deep Ocean Stewardship Initiative (DOSI) encouraged the Council to incorporate environmental costs into the financial model, such as for impact assessments, monitoring, and remediation, as well as the value of environmental damage, such as lost ecosystem functions and services, offering DOSI expertise. She noted critical ecosystem services that could be impaired by mining include carbon sequestration, regeneration of nutrients supporting ocean productivity, fisheries, and biodiversity with possible biomedical benefits, which are of value to humankind. The Deep Sea Conservation Coalition (DSCC) called for integrating environmental costs; underscored the dangers of ignoring costs that are difficult to quantify, such as species extinction and consequences for future generations; and supported consultations with experts and stakeholders. The International Union for Conservation of Nature (IUCN) stated that the Council is making decisions on behalf of humankind and should consider further investing in research and technology rather than authorizing exploitation now.

Roth explained that the proposed model is “representative,” as it is a combination of present and future data on operational and feasibility costs, built through independent due diligence processes. He noted that, in the future, the Council will make decisions on monitoring obligations; and that environmental costs could be included in a separate model, welcoming partnerships to conduct these analyses.

**Way Forward:** Indicating that the financial model for the payment system requires more work to “giving the fullest effect” to the common heritage principle, Germany proposed that the Council task MIT to:

- compare the MIT payment models with other options discussed formally and informally in the Council, including a 2016 German study on the economic benefits of commercial deep-seabed mining operations, the African Group’s 2018 non-paper on the payment regime and other financial matters, and an economic model presented at a 2018 side-event by the China Ocean Mineral Resources Research and Development Association;
- synthesize all these studies to evaluate the pros and cons of the *ad-valorem*, profit-based, and combined models, taking into account divergent assumptions of the various models; and
- make the revised models available for public comment and incorporate comments in a consolidated document to be shared with member states and observers by the end of December 2018.

Germany also proposed that the Council establish an open-ended working group for ISA member states, LTC and Finance Committee members, contractors and observers, to discuss the consolidated study and report to the Council at its March

2019 meeting. Delegates agreed to the proposal, which was to be annexed to the Council’s report, with France, supported by Canada, emphasizing the inclusion of external experts.

**Final Outcomes:** In the decision on the LTC report (ISBA/24/C/22), the Council requests the LTC to consider, as appropriate, the African Group’s submission on the payment regime. In the Council report (ISBA/24/C/8/Add.1), the Council invites the LTC to: further develop the financial payment regime; and elaborate on incentives to contractors, including in relation to benefit-sharing and environmental objectives. Germany’s proposal is annexed to the report.

### **Draft Exploitation Regulations**

On Monday, 16 July, LTC Chair Michelle Walker (Jamaica) reported on the LTC’s work during the 24th Session on the draft regulations. She raised issues requiring the Council’s attention, *inter alia*:

- application of the common heritage principle in the context of assessing plans of work;
- timelines and deadlines;
- matters related to sponsoring states;
- standards and guidelines;
- LTC-suggested amendments to plans of work; and
- terminology.

She highlighted as themes requiring further guidance from the Council:

- structure of the draft regulations;
- balance of rights and obligations, certainty and flexibility;
- the role of the Authority;
- confidentiality of information; and
- annual fixed fees.

Chile underscored that the LTC Chair’s oral report did not elaborate on the issues identified.

On Tuesday, 17 July, President Myklebust introduced a revised draft of the exploitation regulations and the accompanying LTC note (ISBA/24/LTC/WP.1/Rev.1 and ISBA/24/C/20), with delegations engaging in a part-by-part discussion of the revised draft in an informal setting. On Wednesday, 18 July, President Myklebust expressed concern about the remaining time available for Council debate at this session and proposed suspending the discussion of the draft regulations part by part, to concentrate on key matters requiring the Council’s strategic direction that were identified by the LTC (ISBA/24/C/20). Following discussions, delegates agreed to discuss the matters identified by the LTC first and return to the part-by-part discussion on Wednesday afternoon. Delegates also agreed to complete discussions of Parts I-VII of the draft regulations on:

- introduction;
- applications for approval of plans of work in the form of contracts;
- rights and obligations of contractors;
- protection and preservation of the marine environment;
- review and modification of a plan of work;
- closure plans; and
- financial terms of an exploitation contract.

Delegates also agreed to a deadline of 30 September for submitting further written comments on the revised draft regulations. The summary of discussions below presents interventions thematically, rather than part by part.

**General Comments:** Several delegations thanked the LTC for the progress made in the revised draft regulations. Cameroon, supported by Norway, emphasized the urgency to complete work on the regulations, with the Netherlands underscoring the need for robust regulations. Australia recommended not rushing the

regulations and providing sufficient time for states' inputs. Poland noted that an improved structure for the regulations would benefit prospective contractors.

The Holy See expressed concerns about: the consequences of deep-seabed mining on local communities' food supply; the prevalence of economic considerations over human life and the marine environment; and taking into account social impacts and legal uncertainties when mining in zones of the Area adjacent to exclusive economic zones (EEZs). The Convention on Biological Diversity (CBD) reported on a global process describing ecologically and biologically significant marine areas (EBSAs), expressing willingness to cooperate with the ISA Secretariat on best scientific information. The Fish Reef Project proposed inserting reference to social mitigation projects. IUCN questioned the appropriateness of such a reference in the context of the Area and the common heritage of humankind as a whole. Senegal highlighted the efforts of the Fish Reef Project.

**Preamble:** China suggested including reasonable balance between exploitation and environmental protection and due regard for mutual interests. The DSCC recommended reference to ensuring effective protection of the marine environment.

**Standards and Guidelines:** Australia requested, supported by Tonga, developing standards and guidelines in parallel with the regulations, so they can be adopted simultaneously. Japan suggested reference to taking into account stakeholders' views. Belgium supported binding guidelines. Singapore suggested prioritizing standards and guidelines that will first be addressed when developing the plan of work, supporting standards and guidelines, coupled with the best available science to ensure the ISA's work is "capable of keeping up with the times." Jamaica and Australia stressed that the balance between certainty and flexibility is dependent on standards and guidelines yet to be drafted by the LTC. Nauru called for clarity on the legal status of standards and guidelines, as well as on the power to initiate their review. Japan suggested developing guidelines on mining discharges, taking into account stakeholders' views.

**Common Heritage:** The African Group, supported by Jamaica, urged strengthening the common heritage principle throughout the regulations. Tonga emphasized operationalizing the common heritage principle. China, supported by Chile, recommended incorporating the benefit-sharing mechanism into the regulations. India emphasized the importance of the common heritage principle and sponsoring states' responsibilities. The DSCC called for operationalizing the common heritage to the benefit of humankind "as a whole."

**Participation:** Japan urged involving stakeholders working in, and doing scientific research on, the Area. The UK suggested clear language on the right to public participation. Australia highlighted that consultation with nearby coastal states should be a precursor to the approval of contracts. Monaco emphasized the importance of marine science. Mexico said interventions from the scientific and NGO communities must be taken into account. DOSI, supported by Interridge, commended increasing support for environmental science.

The African Group called for transparency not only on environmental protection, but also on other ISA functions and areas of public interest. The DSCC urged publishing and reviewing all contractors' environmental plans, and enhancing public participation to develop the environmental policy framework, noting liability and dispute resolution as current gaps.

**Environmental Policy:** Jamaica called for clarity on specific environmental provisions, with the UK recommending that the definition of "serious harm" should reflect an "appropriate level of caution." France, supported by Canada, urged strengthening

provisions on environment protection, monitoring, and evaluation similar to other marine-related processes. Chile, supported by IUCN, emphasized the role of science in investigating impacts on the marine environment. The Holy See, supported by IUCN, underscored marine spatial planning, valuing all resources before starting mining, and improving cooperation on best practices and technology.

Chile, supported by New Zealand, called for a clear definition of "effective protection" of the marine environment. New Zealand welcomed broad agreement on the need for more work on the environmental aspects of the draft regulations, emphasizing, *inter alia*, the importance of: an environmental performance guarantee; strengthened environmental expertise of the LTC; and integration of environmental protection in the criteria for accepting a plan of work. Germany stressed that the draft regulations do not effectively cover environmental protection, with EIAs, closure plans, and REMPs needing significant improvement. Australia suggested preventing contractors from "sponsor shopping," and strengthening the ISA's liability and enforcement mechanisms, including through monetary penalties and the ability to immediately terminate an activity that fails to comply with environmental regulations. Bangladesh suggested reference in the regulations to UNCLOS Articles 209 and 215 relating to the pollution from activities in the Area. Tonga requested developing a robust environmental framework with inputs from all stakeholders.

The DSCC suggested creating an environmental committee to ensure monitoring and implementation of REMPs and EIAs, emphasizing scientific reviews and public participation. DOSI recommended expanding scientific knowledge to adequately assess the performance of environmental management and monitoring plans, calling for the development of indicators. Canada cautioned against excessive administrative burdens on contractors and the ISA. Jamaica stressed the need to clarify the responsibilities of the ISA and of contractors to protect the marine environment; and requested the LTC give guidance on incentives for contractors' environmental performance. Belgium, supported by the African Group, called for a contact group to look at overlaps between the work of the ISA and the negotiating process on marine biodiversity of areas beyond national jurisdiction (BBNJ), which involves an Intergovernmental Conference convening for the first time in September 2018.

**Principles:** DOSI called for clear definitions of environmental objectives, principles, and standards that can be fully operationalized. The UK, supported by Norway, suggested elaborating upon the ecosystem approach. Norway, supported by the DSCC, suggested including the polluter pays principle in the regulations.

The UK, supported by Germany, the Pew Charitable Trusts, and IUCN, affirmed that the precautionary principle should be at the heart of the process. The Pew Charitable Trusts, supported by IUCN, called for the inclusion of scientists from multiple backgrounds to support the operationalization of the precautionary principle, take into account ecosystems integrity, and improve understanding of the implications of these aspects for future contractors. The UK, supported by Norway and the African Group, and opposed by Australia, favored reference to the precautionary "principle" rather than "approach."

**Environmental Management and Monitoring Plans:** Jamaica called for greater clarity on the LTC's grounds for performance assessment of the environmental management and monitoring plans to ensure compliance. China questioned the use of the term "reasonable grounds" as a criterion for the LTC to assess the performance of environmental management

and monitoring plans. The UK suggested that environmental management and monitoring plans should be in accordance with “best available scientific evidence.” Germany stressed the need for: assessment criteria, including thresholds for determining harmful effects; and specific objectives that contractors should achieve, like spatial and mitigation measures.

**REMPs:** The UK, supported by Belgium, stated REMPs are “essential, not optional.” Australia, supported by IUCN, emphasized the development of REMPs and the need to further elaborate on the due regard to other maritime activities. Jamaica reiterated the importance of REMPs, cautioning against addressing environmental issues in an annex. Singapore supported developing REMPs, which should take into account broader regulatory frameworks.

Nauru called for clarifying the process, requirements and timelines for developing REMPs; and further work on transboundary impacts. Germany suggested that REMPs be made a prerequisite for the granting of an exploitation contract, and that the ISA specify a process to develop them. The Pew Charitable Trusts underscored the broad support for REMPs, suggesting that they should include no-mining zones covering 50% of the Area to preserve ecosystem integrity in light of scientific uncertainty of the impacts of deep-seabed mining.

**Environmental Impact Assessments:** India stated that EIAs should not be an impediment to mining tests, potentially preventing exploitation. Tonga proposed: enhancing the balance of rights and obligations by making EIAs part of the contracts; and including in EIA guidelines the assessment of impacts on fishing communities, pointing, with Fiji, to the social and environmental implications of the exploitation regulations for small island developing states (SIDS) and urgency in completing them.

**Environmental Liability Trust Fund:** Australia, supported by the DSCC, welcomed an environmental liability trust fund, indicating that it should have the purpose of addressing the liability gap, identified by the International Tribunal for the Law of the Sea. China, followed by Japan and India, questioned including education and training programmes on the protection of the marine environment in the purpose of the fund.

**ISA Responsibilities:** Jamaica, supported by the UK and Norway, called for improved clarity on the responsibilities of different ISA organs. Tonga proposed that the Secretariat warn coastal states in cases of serious harm to the environment done by contractors. On consideration of applications, Poland, supported by Australia, suggested carefully aligning the timing of the application stages and LTC sessions. On assessment of applicants, Fiji encouraged the LTC to effectively determine if applications interfere with the freedoms of the high seas. Japan pointed to the ISA Council’s role under UNCLOS to issue emergency orders to prevent serious harm and the LTC’s duty to notify the Council of such cases.

**Plans of Work:** On application for approval of plans of work in the form of contracts, Germany requested reference to pilot mining tests to ensure technical, commercial, and environmental viability. Australia called for avoiding conflicts of interest by separately assessing environmental issues from financial benefits; and recommended considering environmental remediation as an aspect of financial viability. With Jamaica, he called for greater clarity on compensation mechanisms for environmental damage. The UK emphasized the importance of transparency in all applications and suggested the inclusion of other relevant bodies, such as the International Maritime Organization (IMO), to take part in this exercise.

On the review and modification of plans of work, the UK, supported by Australia, raised concerns about the frequency of reviews and noted the need to take environmental concerns into account. India noted the importance of the five-year period review for transparency. The DSCC called for independent assessment, publication and stakeholder comment in the reviews of plans of work.

**Sponsoring States:** Argentina, supported by Nauru, the African Group, and the Netherlands, encouraged clarifying the meaning of the applicant being subject to sponsoring states’ “effective control.” Australia, supported by Poland, suggested further consideration of situations when applicants have multiple sponsoring states.

**Contractors’ Responsibilities:** IUCN noted: the need to elaborate on: “reasonable regard” for other activities in the marine environment; and, with India, on “good industry practice”; and the importance of independent expertise in relation to conflicting objectives of different activities. The DSCC recommended that the ISA review EIAs carried out by contractors, which should be made available for stakeholder comments.

The UK raised questions on the desirable levels of transparency of information provided by contractors and called for: enhanced definitions of “adverse environmental conditions” to better address potential environmental damage; and for references to environmental issues in relation to the plan of work. Italy requested that contractors “minimize,” rather than “reduce,” risks of incidents; and cautioned against insurance mechanisms with insufficient capacity to address “serious accidents,” calling for strengthening the proposed environmental liability trust fund.

The Republic of Korea called for including detailed reasons for terminating sponsorship and alerted about risks of monopolization of contracts. France supported language on preventing all types of monopoly. Poland raised the question of what happens if sponsorship is terminated. Jamaica argued delays in contract renewals should not lead to an automatic extension, calling for adaptable management. Japan suggested contractors be required to inform the IMO’s World-Wide Navigational Warning Service of their exploitation activities.

Tonga highlighted: security of tenure and due regard to other marine uses; balance of obligations of sponsoring states and contractors; and the need for the Council and sponsoring states to consent to the transfer of rights among contractors. The DSCC noted the proposed length of 30 years for contracts and underscored the need to: amend contracts in response to new science, information, technology, or best practice; and consider impact areas larger than the contract or project area. The Sargasso Sea Commission recommended clarifying the applicability of international safety, labor, and health rules and standards. The Russian Federation cautioned against excessive financial burdens on contractors developing the plans of work. The African Group recommended clarifying the division of responsibility between the ISA and contractors regarding, *inter alia*, information sharing and monitoring.

Australia recommended clarifying contractors’ obligations to protect submarine cables, with the International Cable Protection Committee, supported by France, requesting duly diligent coordination between contractors and submarine cable operators at the earliest stage of the process. Japan suggested listing all fees required from contractors and cautioned against leaving the decisions on terminating contracts solely to the Secretary-General’s discretion. The African Group asked for more detailed LTC reports to the Council prior to approving plans of

work. Jamaica noted the need for a swift system for reviewing decisions. Australia and New Zealand recommended clarifying the transition from exploration to exploitation.

The African Group cautioned against inconsistent procedural rules on the termination of contracts, considering it premature to assess the overall balance before discussing the Enterprise. Australia suggested providing specific timeframes for various stages of the contract, rather than referring to “promptly” and “as soon as possible.” On contract suspension, China suggested that contractors’ payments to the ISA be reduced during this time. Chile noted that the Secretary-General should be able to determine, on application, whether there can be a change of control of any contractor.

New Zealand called for enhancing the ISA’s capacity and authority in the review and compliance mechanisms. Nauru suggested including in the comparative study of national legislation any overlap with the draft regulations. Nauru supported the development of a matrix of duties and responsibilities for various actors and a stable and predictable financial framework. He further called for: greater certainty for contractors vis-à-vis possible future changes to the regulations. In response to his suggestion to include a reference to a stability clause, Jamaica pointed out that it is no longer acceptable practice, noting that emerging national regulations do not undermine contractual security.

**Enterprise:** Brazil, on behalf of the Latin American and Caribbean Group (GRULAC), welcomed the African Group’s papers on the payment system and the operationalization of the Enterprise, requesting discussing it in relation to the draft regulations. Brazil lamented that his comments regarding the Enterprise during the March session were not taken into account, and requested incorporating the African Group’s and Poland’s submissions into the LTC’s further work on the draft regulations.

President Myklebust proposed discussing the African Group’s paper on Friday morning, along with a submission from Poland on a possible joint venture with the Enterprise. Jamaica supported progress on the Enterprise. In response to a query from Chile, LTC Chair Walker clarified that the Enterprise will be discussed at the next LTC session.

China, supported by Brazil and Senegal, called for more fully-developed language on the Enterprise, and emphasized cost-effectiveness, the evolutionary approach to the ISA institutional development, and sound commercial principles.

**Confidentiality:** The UK prioritized clarifying conditions for confidentiality, favoring, with New Zealand and Australia, that all information should be public unless stated otherwise. Germany stressed that environmental data should not be confidential, provided that contractors’ rights are respected. France stated that the rule should be non-confidentiality, notably regarding environmental data. Tonga favored developing a list of topics that should be considered confidential information.

**Closure Plans:** India requested consideration of sound scientific basis and principles before cessation and suspension of production, suggesting land-based mining practices as a potential model. Australia, supported by Poland and the DSCC, suggested further determining the consequences of the environmental reviews in case of modifications of the plan of work.

**Financial Terms:** Poland suggested an alternative method for calculating a royalty-based payment system that involves measuring the energy consumption of operating vessels, noting this may provide a solution to the technical challenges of several other methods for calculating royalties. The UK, supported by Canada, recommended providing a clear definition of

“internationally accepted accounting principles”; and clarifying the “special circumstances” that would justify payment by installment.

**Way Forward:** The Netherlands and Jamaica inquired about the upcoming work of the Council, considering that the LTC is not scheduled to meet until after the next meeting of the Council in March 2019. Secretary-General Lodge noted that the LTC has limited capacity to work intersessionally. President Myklebust stated that he did not expect a further revised draft of the regulations to be ready for the next Council meeting, suggesting that the Council’s agenda focus, instead, on the remainder of the draft regulations, to be discussed part by part, as well as on the synthesis on the payment system.

**Final Outcome:** In the Council’s report (ISBA/24/C/8/Add.1), the Council refers to the need to: learn lessons from the sequence of two-part sessions: and give the LTC time to further revise the draft regulations prior to upcoming Council meetings. The Council invites the LTC to, *inter alia*:

- add a principle referring to the balance between resource exploitation and environmental protection;
- elaborate on the high seas freedoms and the due regard clause;
- further review the definition of “serious harm”;
- review the issue of multiple sponsorship and effective control;
- develop, in parallel with the regulations, a list of priorities for the development of standards and guidelines;
- consider the need to take account of REMPs;
- review timeframes during the application process and the duration of the contract;
- consider transparency throughout the application process;
- clarify objectives, standards, thresholds, and the relationship between best environmental practices, best available scientific evidence, best available technology, and good industry practices;
- elaborate on adaptive management with criteria and procedures, taking into account the principle of mutual consent prior to amendment of contracts and the need for security of tenure;
- elaborate on the environmental performance guarantee through a transparent process and binding guidelines;
- include references to the ecosystem approach and the polluter pays principle;
- strengthen provisions on environmental protection, monitoring, evaluation, and the closure plan to provide a robust environmental framework with inputs from all stakeholders in the body of the regulations rather than in annexes;
- consider making REMPs mandatory, including them within the ISA’s overarching environmental policy and contractors’ obligations, and taking into account broader regulatory frameworks in developing REMPs;
- factor REMPs into environmental reports such as EIAs and environmental management and monitoring plans;
- consider socio-cultural impact in EIAs and in the ISA’s review of contractors’ EIAs;
- consider the purposes of funding the environmental liability trust fund and its impacts on the nature of the fund;
- consider making access to the liability environmental trust fund for coastal states affected by potential transboundary impacts of mining;
- clarify compensation mechanisms for environmental damage;
- consider that modifications of environmental plans could be permitted by the Secretary-General in cases where modifications do not constitute material damage;

- further consider the period for reviewing and modifying plans of work, including an independent scientific assessment, a list of triggers, and a mechanism for reporting to the LTC, Council, and Secretary-General;
- further elaborate on the objective, assessment, and review of closure plans and their costs and effects, and consider making them public;
- review provisions on compliance notices and termination of exploitation contracts in light of sponsoring states' responsibilities; and
- explore appropriate remote monitoring technologies.

### National Legislation

On Tuesday, 17 July, ISA Legal Counsel Ascencio-Herrera introduced the Secretary-General's report on the status of national legislation relating to deep-seabed mining, including a comparative study of existing national legislation (ISA/24/C/13). China, supported by Cameroon, stressed that the implications of national legislations for exploration and exploitation in the Area must be clarified with respect to sponsoring states' and contractors' responsibilities. The Council took note of the report, including on the ongoing comparative study to derive common elements, which is due for completion by the end of 2018.

### Joint Meeting of the LTC and Finance Committee

On Tuesday, 17 July, LTC Chair Walker reported on the first informal joint meeting between the LTC and the Finance Committee, held on 13 July 2018, to discuss roles and responsibilities of each body with respect to the draft regulations and future exploitation. She highlighted that there is no overlap among competencies; stressed it is the LTC's role to make recommendations to the Council with respect to activities in the Area; and suggested further cooperation between the two bodies. Responding to Brazil, Walker reported on preliminary discussions on the LTC functioning as the Planning Economic Commission, as outlined in UNCLOS.

Cameroon underscored the importance of the Finance Committee's recommendations on a profit-sharing mechanism, and raised issues around the administration of a benefit-sharing fund and the percentage of revenues destined to it. Australia pointed to the need for expanding environmental expertise within these bodies, with Walker replying that this had been broadly addressed and may be raised in the future.

### LTC Report

On Thursday, 19 July, LTC Chair Walker introduced the LTC's reports for the first and second part of the 24th session (ISBA/24/C/9 and Add.1), noting, *inter alia*, that:

- the LTC could not agree on how to deal with offers of an equity interest in a joint venture arrangement;
- some contractors did not completely fulfill their obligations, including by not providing digital data for the last year, and not advancing environmental objectives for two years in a row; and
- the LTC established new working groups on common heritage, protecting developing countries' economies, as well as on standards and guidelines.

Delegates discussed the report on Thursday and Friday, 19-20 July, focusing on compliance issues and future work, and adopted a decision on Friday, with a minor amendment.

**Compliance:** Several delegations expressed concern about the two contractors who have not advanced environmental objectives. Australia stated that the LTC has to be equipped to

deal effectively with these situations, recommending drawing on lessons learned in the context of exploration in developing the draft exploitation regulations.

Norway stressed the importance of scrutinizing contractors' annual reports to identify shortcomings. New Zealand, supported by the African Group, stressed that contractors' disregard for the LTC's feedback could lead to negative impacts on the marine environment. Morocco asked which actions were taken in cases of contractors' non-compliance with their environmental protection obligations. Argentina urged the Council to adopt a concrete recommendation on non-compliance.

New Zealand underlined the need for appropriate expertise in the LTC, particularly on the environment. Norway, supported by Australia, underlined the need for contractors to: comply with digital and specialized formats; follow requirements regarding access to and sharing of information; and provide data regardless of scientific publishing schedules. Mexico, Brazil, and Argentina stressed the guarantee of public access to contractors' information, while taking account of confidentiality issues. Tonga raised concerns about contractors' non-compliance, notably on environmental data. India considered non-compliance a "gross violation of the ISA's regulations," raising the need to explore options for a moratorium to address this problem. LTC Chair Walker clarified that the report points to potential cases of non-compliance of outlined plans of work. Chile suggested exploring measures for ending non-compliant contracts, noting the possibility of sanctions. Jamaica recommended written warnings to contractors. Mexico suggested termination of the contract as an option.

IUCN considered non-compliance "not a good omen" for future exploitation contracts. The Pew Charitable Trusts and the DSCC inquired why the names of non-compliant contractors are not public, noting that transparency was called for at the 23rd session. DOSI, supported by IUCN, pointed to the urgent need to collect baseline data on the mid-water environment, which is highly connected to the seafloor, and suggested coordination with the Deep Ocean Observing Strategy. GRULAC suggested, and delegates agreed to, adding that the Secretary-General communicate issues with contractors' annual reports to respective sponsoring states, in addition to the respective contractors.

**Future Work:** The African Group welcomed the LTC's plans to further work on: interlinkages with the BBNJ process; environmental liability; common heritage; and the need to protect developing countries from adverse economic effects of mining in the Area. Supported by the DSCC and IUCN, the African Group urged the LTC to hold open meetings.

The Netherlands requested the LTC to deliver a report to the Council on the legal and policy-related aspects of the possible alignment of the ISA's regulations on prospecting and exploration with respect to the offer of an equity interest in a joint venture arrangement. Cameroon stressed that criteria for a payment system and for equitable benefit-sharing were still missing. Bangladesh proposed that progress of the ongoing LTC study on the Enterprise be presented to the Council.

Cameroon proposed dedicated workshops and lamented the postponed creation of the Economic Planning Commission. LTC Chair Walker noted that during their first joint meeting, the LTC and the Finance Committee discussed the establishment of the Economic Planning Commission, but could not find agreement on the timing for this establishment. Fiji welcomed the working groups on environmental liability and the financial model. Jamaica urged further work on both monopolization and the Enterprise. The Cook Islands welcomed further work on REMPs

and a financial model based on common heritage and benefit-sharing.

**Workshops:** New Zealand supported new workshops on REMPs, but proposed developing a strategic plan and timeline for workshops to ensure broad attendance and sufficient funding. Fiji, New Zealand, and Tonga recommended timely notification of workshops. Belgium suggested the LTC develop a priority list of guidelines to help plan corresponding workshops.

**Reviews:** DSCC highlighted the unclear timeframes of a number of ongoing and upcoming review procedures and, with IUCN, called for an open, transparent, and participatory consultation mechanism for substantively reviewing all applications for exploration, testing of equipment, and exploitation, with input from scientists and stakeholders.

**Final Outcome:** In the decision on the LTC report (ISBA/24/C/22), the Council:

- requests the Secretary-General to communicate issues identified in reviewing contractors' annual reports to both the respective contractors and sponsoring states, and report annually on instances of non-compliance and the regulatory action to be taken, including any monetary penalties to be imposed;
- urges all contractors to comply with their reporting requirements and to make their environmental data readily and publicly available;
- welcomes progress on the data management strategy, including public access to non-confidential data, noting the database will be launched in October 2018; and
- encourages the LTC to hold more open meetings to allow for greater transparency.

### ***Belgium's Submission on Strengthening the ISA's Environmental Scientific Capacity***

On Tuesday, 17 July, during the discussion of the draft regulations, Belgium drew attention to the non-paper on strengthening the environmental expertise and capacity of the ISA and all its organs, including by making each environmental plan publicly available and reviewed by three independent experts. France, Mexico, Côte d'Ivoire, Poland, Bangladesh, and India welcomed the non-paper, with Monaco emphasizing scientific expertise and Germany, the UK and the Netherlands favoring cost-efficient approaches and avoidance of duplication of work. Cameroon underscored the need for the ISA Secretariat's capacity to increase in relation to environmental protection, finance, and inspection. Morocco supported the three principles proposed in Belgium's non-paper: expertise, independence, and transparency; and stressed the importance of capacity building for scientific research. Chile highlighted the importance for the ISA's legitimacy of designing robust environmental preservation criteria. DSCC recommended including both scoping and the mandatory testing of equipment in the EIA process.

**Final Outcome:** In the decision on the LTC report (ISBA/24/C/22), the Council requests the LTC to consider, as appropriate, Belgium's submission.

### ***The Netherlands' Submission on Environmental Protection Measures in Areas Beyond National Jurisdiction***

On Thursday, 19 July, the Netherlands introduced an overview of existing measures related to environmental protection in areas beyond national jurisdiction from competent international organizations/arrangements (ISBA/24/C/15), inviting the Council to:

- take note of the overview;
- request the LTC to use the information, as appropriate, when considering an application for the approval for plans of work for exploration and future exploitation; and
- request the Secretariat to regularly update the overview, including, *inter alia*: regional fisheries management organizations' restrictions, specially protected areas under the Antarctic Treaty, EBSAs under the CBD, and voluntary and unilateral initiatives.

Germany, Belgium, South Africa, Norway, Jamaica, Argentina, Morocco, Monaco, Cameroon, India, Australia, Chile, and New Zealand supported the paper. On an annexed list of measures, the UK, supported by Australia and New Zealand, queried the inclusion of measures under the Antarctic Treaty. Fiji, supported by Australia and New Zealand, stressed the linkages between the ISA and the BBNJ process. Argentina asked for more information on the inclusion of a European Union/Spain unilateral closure of bottom fishing in the South-west Atlantic. India stressed that the annexed list was not exhaustive.

DSCC reported on the closure of five benthic protected areas under the Southern Indian Ocean Fisheries Agreement, lamenting that long-line fishing is still permitted. He noted exploration contracts in that area, underlining the need for cooperation and coordination to address cumulative effects. The CBD drew attention to its instruments that can inform the ISA's work, namely operational guidance on the ecosystem approach; guidelines for the consideration of biodiversity in EIAs and SEAs, which were annotated specifically for marine and coastal areas, including issues related to areas beyond national jurisdiction; and a workplan on biodiversity in cold-water areas. The Council adopted the recommendations.

**Final Outcome:** In the decision on the LTC report (ISBA/24/C/22), the Council requests the Secretariat and the LTC to implement the recommendations in the Netherlands submission on existing measures, means, and actions on the protection of the marine environment in areas beyond national jurisdiction.

### ***Finance Committee's Report***

On Thursday, 19 July, Finance Committee Chair Andrzej Przybycin (Poland) introduced the report of the Finance Committee (ISBA/24/C/19), highlighting, *inter alia*, a proposed budget for 2019-2020 of US\$18,235,850 and an agreement to establish an informal intersessional group on benefit-sharing rules, regulations and procedures. He noted with concern 52 states in arrears for more than two years and a shortfall in both the Endowment Fund for marine scientific research and the Voluntary Trust Fund to support participation of LTC and Finance Committee members from developing countries. He encouraged payments both for assessed and voluntary contributions.

**Budget:** Bangladesh welcomed the proposed budget. Cameroon supported the proposed budget in light of the increase in the ISA's activities related to the development of the exploitation regulations. Pew Charitable Trusts supported the budget increase for work on REMPs and the protection of the marine environment. Japan, Germany, Australia, and Brazil recommended further work on cost-cutting measures. Singapore supported the creation of four additional posts at the ISA.

Tonga stressed the importance of the Voluntary Trust Fund for developing countries' participation, especially in the context of the implementation of the common heritage principle. Norway announced a US\$60,000 contribution to the Voluntary Trust Fund and an intended US\$500,000 contribution to support the ISA's voluntary commitment on Africa's blue economy. On remedying the recurrent shortfall in the Voluntary Trust Fund,

President Myklebust outlined four options: continuing with voluntary contributions from member states; introducing a mandatory contribution from contractors; introducing an optional contribution from contractors; or a transfer of US\$100,000 in the form of a reimbursable advance from the accumulated surplus of the ISA's administrative budget.

Singapore, supported by Japan and Belgium, favored the optional contribution from contractors. Brazil, supported by Cameroon, stressed that, if the LTC work was reduced due to lack of resources, contractors would feel the consequences. Cameroon suggested taking into account the return on investment in the mid- and long-term. India recalled contractors' significant investments and urged caution in expenses, noting the decision to increase the number of LTC members.

The UK and China cautioned against excessive increases in overhead charges for contractors related to the administration and supervision of exploration contracts. The Republic of Korea, India, China, and the Russian Federation supported postponing until 2020 a proposed increase in contractors' overhead payments from US\$47,000 to US\$60,000. Brazil and Argentina stressed that the increase would have consequences on the discussion of the budget. India opposed the increase. After President Myklebust recalled that the Finance Committee recommended the proposal by consensus, India indicated the need to consult with capital.

On Friday, 20 July, India indicated that it could join the consensus on the budget if the proposed increase in contractors' overhead payments was postponed until 2020, which was supported by the Russian Federation, the Republic of Korea, Japan, and China. The UK and Argentina favored an increase in 2019. Supported by Cameroon, Canada clarified that the proposed budget reflects the idea that contractors, and not member states, should bear cost increases. Secretary-General Lodge proposed, and delegates agreed, to accept the budget as proposed, with the Secretariat being flexible with contractors' payments timelines. The Council's recommendation was forwarded to the Assembly for its consideration.

### *The Enterprise*

This item was discussed on Friday, 20 July, after being raised in the context of the discussion of the draft exploitation regulations.

**Poland's Proposal:** Secretary-General Lodge outlined considerations relating to a proposal by Poland for a possible joint-venture operation with the Enterprise (ISBA/24/C/12), which invites the Council to reflect on the legal, technical, and financial implications of the proposal in the context of UNCLOS, the 1994 Agreement, and the regulations. He recalled that: terms of reference for a study on the operationalization of the Enterprise had been prepared in 2014; the LTC did not take them forward at that time; and that a study is now under way. He anticipated that the Council would consider in 2019 a full proposal for operationalizing the Enterprise and decide whether to issue a directive for the Enterprise to function independently from the Secretariat, including through interim governance arrangements, on the basis of sound commercial principles. He indicated that the Enterprise would be treated like any other contractor. He noted that Poland's proposal did not address the issue of sound commercial principles; and that the African Group's proposal for an interim arrangement "at arm's length" from the Secretariat was based on a proposal put forward in 2014 by the previous Secretary-General.

Poland highlighted a growing number of countries supporting the operationalization of the Enterprise and recommended entering into negotiations on this matter. Jamaica, the African

Group, Brazil, Bangladesh, and China welcomed Poland's proposal, with Cameroon emphasizing the urgency of establishing the Enterprise before 2019. Chile supported establishing the Enterprise, but called for careful consideration of issues around contractors and privilege. Jamaica urged the Council to "live up to its duties" under the 1994 Implementing Agreement to take up the functioning of the Enterprise and appoint an interim director-general. India supported appointing an interim director-general. Bangladesh urged the LTC to expedite consideration of the study on the Enterprise. China welcomed progress on the study, underlining that the Enterprise is the channel through which developing countries participate in the exploitation of the Area. Mexico requested that the study on the Enterprise be circulated before the next Council session. Delegates took note of the Polish proposal.

**African Group's Submission:** The African Group introduced a proposal for operationalizing the Enterprise, highlighting:

- concern with the lack of current progress towards establishing the Enterprise as an independent organ of the ISA;
- the crucial role of the Enterprise for realizing the core principles of UNCLOS Part XI (the Area); and
- a request to the Council to operationalize the Enterprise, noting that the 1994 Implementing Agreement provides for appointing an interim director-general from the ISA staff.

He called on the Secretary-General to appoint an interim director-general and the Council to authorize the interim director-general to appoint a special representative independent of the Secretariat. Jamaica recognized that a special representative could help address concerns about conflict of interest. Brazil and Mexico suggested prioritizing the appointment of an interim director-general, with Brazil noting the need to inject independent thinking into the Council about the structure of the Enterprise and its specificities as an ISA organ reporting to the Council and having a board of directors formed by elected member states.

The UK, supported by France, cautioned against the financial implications of the suggested appointment. France noted the complexity of operationalizing the Enterprise, indicating the need to carefully examine the Secretariat's study and the LTC report. India favored a cautious approach comprised of the Finance Committee examining the study before the Council makes a decision and the development of rules regarding the appointment of the interim director-general.

The African Group clarified that their proposal has nearly no financial implications, with the interim director-general being an existing staff member of the ISA and the special representative needing no salary. He added that the decision on the Enterprise is political and urgent to ensure that the Enterprise has an opportunity to provide views on the draft exploitation regulations. South Africa urged action, pointing to: superficial references to the Enterprise in the draft regulations; the likely need for changes in the regulations if they are finalized before operationalizing the Enterprise; and differences between the Enterprise and contractors. Morocco stated that financial matters should not act as a barrier to the Enterprise's establishment. Recalling that "no one should be left behind," Cameroon pointed to the urgency in advancing the exploitation regulations, reinforcing the Secretariat, and establishing the Enterprise.

Secretary-General Lodge clarified that the requested study will be refined by the LTC and then made available for the Council's consideration. He considered it feasible to make progress in a "balanced" and cost-effective manner, without negative impacts on the programmes foreseen under the budget. The African Group and Brazil supported the Secretary-General's guidance, with the African Group recalling the Secretary-

General's powers to appoint an interim director-general to the future Enterprise. Jamaica thanked Secretary-General Lodge for fulfilling his mandate in accordance with the 1994 Implementing Agreement. Poland reiterated the need for the Enterprise to function independently as soon as possible. President Myklebust proposed, and delegates agreed, that the Council should not take a formal decision on the Enterprise at this meeting.

**Final Outcome:** In the decision on the LTC report (ISBA/24/C/22), the Council requests the LTC to consider, as appropriate, the African Group's submission on operationalizing the Enterprise and the Secretary-General's report on Poland's proposal for a possible joint-venture operation with the Enterprise.

### ***Election of the LTC Members***

On Friday, 20 July, the Council took note of the report of the Secretary-General on the election of LTC members (ISBA/24/C/14) and Belgium stressed the need for increasing the LTC's environmental expertise, with experts coming from each regional group and endorsed by the Council. The African Group recalled his joint submission with GRULAC at the 23rd Session related to criteria for the election of LTC members. President Myklebust said this matter will be discussed at the next Council meeting.

### ***Germany's Submission on Facilitating the ISA's Work***

On Friday, 20 July, Germany outlined suggestions, endorsed by many, for facilitating the ISA's work (ISBA/24/C/18), focusing on: circulating early annotated agendas; clarifying timelines and milestones for intersessional work; and supporting the LTC. The Netherlands and Morocco stressed the importance of timely submission of documents. Singapore recommended harmonizing documentation. The UK supported timely circulation of workshop reports and, with New Zealand, timely notification of workshops' schedules and venues. On the need for external expertise, Jamaica insisted on a balanced process and Mexico considered that this topic requires further discussion. The Netherlands proposed translating only the amendments to the draft regulations for budget-saving purposes. The Council took note of the submission.

**Final Outcome:** In the decision on the LTC report (ISBA/24/C/22), the Council requests the LTC to consider, as appropriate, Germany's submission.

### ***Dates of the Next Council Meeting***

On Friday, 20 July, President Myklebust announced that the next Council meeting, for Part I of the 25th Session, will be held from 25 February – 1 March 2019. Algeria recommended avoiding clashes with the BBNJ process. President Myklebust thanked delegates for the constructive atmosphere in both parts of the Council and drew the meeting to a close at 5:50 pm.

## **Assembly Report**

On Monday, 23 July, Eugénio João Muianga (Mozambique), Assembly President for the 23rd Session, opened the meeting. The Russian Federation, on behalf of the Eastern European Group, nominated Mariusz Orion Jędrysek (Poland) as Assembly President of the 24th Session, who was elected by acclamation.

Assembly President Jędrysek noted the importance of: the draft strategic plan to be considered by the Assembly to provide direction to the ISA for the next five years; and the work of the LTC and the Council on the draft exploitation regulations, highlighting the need to strike the right balance of appropriate regulation, environmental protection, and fair and equitable

sharing of the benefits from the common heritage of humankind. Delegates adopted the agenda (ISBA/24/A/L.1) with a minor amendment. Delegates appointed Morocco, Bangladesh, Mexico, and Belgium to the positions of Vice-Presidents.

**Observers:** President Jędrysek introduced requests for observer status from Earthworks (ISBA/24/A/Inf.1), Japan Agency for Marine-Earth Science and Technology (JAMSTEC) (ISBA/24/A/Inf.2), and Mining Standards International (MSI) (ISBA/24/A/Inf.3). India noted that JAMSTEC is a governmental agency, whereas the two other candidates are considered non-governmental organizations (NGOs). Japan clarified that in the Japanese legal system, JAMSTEC is an independent administrative agency. India, opposed by Chile, stressed that although the objectives of MSI are relevant to the ISA's work, it is a new body with little activity, and requested more information. Senegal, Ecuador, and Togo supported the submission. The Assembly granted observer status to the three organizations.

Belgium, supported by France, Australia, Monaco, Jamaica, Morocco, Nigeria, Chile, and Panama, suggested developing more detailed guidelines and criteria for analyzing the merits of observer applicants. Chile noted that the ISA should promote the participation of the largest possible number of observers, while recognizing, with Brazil, budget implications. The African Group supported the guidelines but cautioned against unduly limiting the scope. Brazil recommended that the guidelines should be designed not to limit the participation of NGOs, but to assist with informed decision-making. Jamaica supported developing guidelines, while stressing the need to ensure timely and efficient work. The Gambia underscored NGOs' integral role in the ISA's work that should be valued. DSCC suggested drawing on the Almaty Guidelines on promoting the application in international forums of the principles of the Aarhus Convention on Access to Information, Public Participation in Decision-making, and Access to Justice in Environmental Matters. ISA Legal Counsel and Deputy to the Secretary-General Alfonso Ascencio-Herrera clarified that these guidelines could be developed for the 25th Session.

### ***Report of the President of the Council***

On Monday, 23 July, Council President Myklebust introduced the Council President's statement on the work of the Council during Part I of the twenty-fourth session (ISBA/24/C/8). He outlined, *inter alia*: the approval of 28 exploration contracts; the development of REMPs, with delegates considering transparency essential; and a detailed analysis of contractors' compliance, including efforts to facilitate the availability of non-confidential information. The Netherlands, supported by many, suggested that oral reports by the Council president become a stand-alone item on the Assembly's agenda, which delegates agreed to.

China expressed willingness to continue working on the regulations with an "open attitude." Chile inquired about the procedure that led to the hiring of MIT as a consultant for the financial payment system, noting the usefulness of having more consultants to compare different approaches. Secretary-General Lodge clarified that the MIT appointment resulted from a procurement process. Norway recalled widespread support for Germany's submission on streamlining the ISA's work and requested a follow-up on this topic. The African Group expressed concern about the proposed deadlines and reiterated the request to operationalize the Enterprise with the appointment of an independent special representative. Morocco, supported by Ghana and Brazil, requested mentioning the Enterprise in the Council's written report, as this item is relevant for the exploitation

phase. Secretary-General Lodge underscored his commitment to the Enterprise. The Assembly took note of the report.

### **Report of the Secretary-General**

Secretary-General Lodge introduced his report (ISBA/24/A/2) on Monday, 23 July. Delegates discussed the Report of the Secretary-General through Wednesday, 25 July, when they took note of it.

Several delegates welcomed the establishment of the Secretary-General's Award for Excellence in Deep-sea Research. Bangladesh further welcomed: a greater number of side-events; and the collection of unpaid contributions from member states. Myanmar welcomed the Council's fruitful debates at this session and efforts to improve the ISA's capacity to respond to its expanding workload. Jamaica, France, and others welcomed the successful cost-saving measures implemented by the Secretariat. Nepal stressed the importance of UNCLOS for the least developed and landlocked countries, the organic link between mountains and seas, and the need for greater collaboration between contractors and the scientific community regarding data.

**Exploitation Regulations:** Bangladesh welcomed in-depth consideration of the draft exploitation regulations in the Council. Cameroon commended the LTC for drafting the exploitation regulations, considering it "a leap forward" towards concrete management of the common heritage of humankind. He welcomed: collaboration with the MIT to expand the finance model; efforts to improve the sharing of scientific knowledge, including strengthening the capacity of women; and progress towards SDG 14 (conserve and sustainably use the ocean).

Japan stressed the need for: reasonable regulations for mineral exploitation, striking a balance between exploitation and environmental considerations; and discussions to be based on sound economic expertise.

Recalling the ISA's mandate to protect the marine environment, Norway noted that, so far, the focus has been on exploration, welcoming progress in developing the draft exploitation regulations and the finance model. Italy commended the Secretariat's technical guidance in the context of the fast-paced work of the ISA, noting increasing support for environmental protection, transparency, and scientific research. He called for the draft regulations to further address damage control and minimization of impacts on human safety and health. Brazil noted that workshops' outputs are relevant to inform the ISA's work but are not prescriptive.

Nauru, also on behalf of Australia, the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, New Zealand, Tonga, and Papua New Guinea, underscored the need for: balance between protection and exploration of marine resources to avoid adverse social impacts; consistency between the draft regulations, their corresponding guidelines and standards, and the SDGs; as well as consideration in EIAs of potential impacts on coastal states. Kiribati urged consideration of possible harm to coastal states among contractors' and sponsoring states' responsibilities, underscoring disproportionate burdens on coastal states, especially on SIDS. The Cook Islands requested the development of guidelines. The Pew Charitable Trusts emphasized the need to draw on best practices from similar industries in drafting the regulations and addressing compliance. The Holy See welcomed progress in developing the exploitation regulations and REMPs, reiterating that regulatory measures must put "people at the center" and calling for accountability and transparency. He urged strengthening the regulations and applying a "responsibility-based approach" to deep-seabed activities.

**International Cooperation:** Singapore and France emphasized the need for continued cooperation and collaboration between the ISA and other UN bodies. Mexico welcomed progress on collaboration with other organizations, particularly on the marine environment. IUCN called for enhanced coordination with the CBD.

Monaco underlined: the importance of marine science and more international cooperation; the collaboration between the ISA and the International Oceanographic Commission of UNESCO regarding the UN Decade of Ocean Science for Sustainable Development (2021-2030); and his country's support to the Intergovernmental Panel on Climate Change report on oceans and the cryosphere. Antigua and Barbuda highlighted growing momentum towards achieving SDG 14, and Chile encouraged integrated approaches when cooperating with other organizations to support the implementation of SDG 14.

The UN Division for Ocean Affairs and the Law of the Sea (UNDOALOS) offered to collaborate and coordinate on matters of common interest, recalling the ISA's invitation to contribute to workshops on REMPs; and provided an update on the preparation of the second world ocean assessment, urging states to appoint experts in a wide range of subjects.

The Center for Polar and Deep Ocean Development recommended strengthening cooperation with international organizations and stakeholders to promote mutual "reasonable regard" between activities in the Area and other activities in the marine environment. New Zealand, also on behalf of Canada and Australia, urged reasonable regard for other users of the marine environment.

**Common Heritage:** The African Group acknowledged milestones in the ISA's mandate and responsibilities in developing activities in the Area, highlighting, *inter alia*, the innovative character of the common heritage regime and the need to ensure a benefit-sharing mechanism. Tonga noted the importance of the Endowment Fund for developing marine science for the benefit of humankind. The Philippines prioritized implementing the principle of common heritage of humankind. China recommended that the draft exploitation regulations: reflect the common heritage of humankind and the implementation of the benefit-sharing principle; and specifically address the Enterprise. Morocco underlined the importance of a payment system capable of ensuring benefit-sharing. Fiji called for comparative studies on payment mechanisms beyond the MIT proposal to ensure "an equitable sharing regime."

Thanking the Secretary-General for "doing the right thing," South Africa stressed activities in the Area must reflect the common heritage principle, with the Enterprise institutionalizing benefit-sharing and conducting its operations via joint ventures. India stated that common heritage is the principle underlying the ISA's work. Brazil stated the Secretary-General should give serious consideration to the Enterprise in his next annual report.

**Participation and Transparency:** Myanmar and Brazil welcomed the live-streaming of ISA meetings. Tonga emphasized transparency in developing the exploitation regulations. The DSCC asked for holding open and live-streamed meetings of the LTC; and expressed regret that the LTC and the Council did not address the testing of mining equipment, calling for transparent procedures for review and decision-making.

Singapore emphasized progress on the data management strategy and the balance between transparency and confidentiality. Germany welcomed the launch of the ISA's database facilitating information sharing among contractors, the ISA, and researchers, and called for further cooperation. Brazil stated that although

transparency is important, “privacy” for debating sensitive issues might be occasionally required.

The Philippines prioritized including all stakeholders in the ISA’s work. Jamaica highlighted that “capacity must continue to grow,” and, with the African Group, urged delegations to contribute to the Voluntary Trust Fund to ensure effective participation of developing countries in the work of the LTC and the Finance Committee. Germany pledged a contribution of US\$25,000 to the Voluntary Trust Fund for the members of the LTC and Finance Committee, stressing the importance of inclusiveness in the ISA’s work.

**Capacity Building and Training:** The Bahamas prioritized capacity building and training. Singapore underscored the importance of the Contractors’ Training Programme. Kenya encouraged developing-country scientists to participate in marine scientific research and the Training Programme, and the Cook Islands requested training sessions on data management. Bangladesh welcomed capacity building and training, noting improved gender balance in the Training Programme. The Philippines called for further ensuring gender balance in the Training Programme. The UK underscored the importance of addressing women’s participation in marine science and the need to address risks of harassment in this work environment. Japan recalled his country’s efforts in developing technologies and capacity for the exploration and exploitation of the seabed.

**Environmental Protection:** Considering the protection of the marine environment as a core function of the ISA, New Zealand, also on behalf of Canada and Australia, urged the ISA to proceed with caution to ensure the marine environment is not harmed by unforeseen negative impacts of deep-seabed mining. She underscored the need to focus on REMPs, as well as flexible and adaptive management mechanisms to take into account evolving scientific understanding of the marine environment. Nepal stressed member states’ responsibility to protect the oceans’ fragile environment during mining activities. Ecuador underscored states’ joint responsibility to protect one of the most fragile environments on the planet, and supported the ISA’s efforts to balance exploitation, equitable benefit-sharing, and protection of the seabed, including marine biodiversity.

Kenya welcomed research relating to EIAs. The Philippines recommended informing coastal states of baseline environmental studies. Recalling that their marine areas are adjacent to the Clarion-Clipperton Zone, the Federated States of Micronesia called for consultation on proposed activities in the Area.

The DSCC drew attention to a submission to the ISA by 50 NGOs on SDG 12 (sustainable consumption and production) and SDG 14 (oceans), emphasizing reusable technologies, recycling, and better product design. IUCN drew attention to a new IUCN report highlighting that UNCLOS obligations to protect the marine environment imply the option of not proceeding with deep-seabed mining, if adequate protection cannot be guaranteed.

On BBNJ, Bangladesh, Nepal, Chile, and IUCN welcomed enhanced coordination between the ISA’s work and the BBNJ process. The African Group expressed support for the BBNJ negotiations, urging constructive engagement with “one of the most significant international environmental law-making processes in the twenty-first century” for addressing legal, governance, and regulatory gaps in UNCLOS. Norway underscored that the outcome of the BBNJ process will have implications for the ISA and its member states. UNDOALOS reported that Rena Lee (Singapore), who is an LTC member, has been elected President of the BBNJ Intergovernmental Conference.

Norway welcomed progress on developing REMPs. Chile and the Cook Islands urged further work on them. Fiji called for greater capacity building to develop effective REMPs. Jamaica welcomed increased attention to REMPs, highlighting their importance for collaborative work and transparency. China recommended that the draft exploitation regulations specify how contractors will collaborate on developing REMPs. Mexico recommended: integrating into REMPs the ecosystem approach and the cumulative effects of seabed activities; and collaborating with regional fisheries management organizations when designing REMPs to ensure the activities in the Area do not harm fish stocks. The Pew Charitable Trusts underlined: the need for more resources to develop robust regulations and scientifically sound REMPs; the challenge of translating the precautionary principle into adaptive rules; and the need for no-mining zones.

**Monitoring and Review:** Mexico welcomed progress on the review of contractors’ annual reports. Morocco underlined the importance of monitoring measures for environmental protection. Poland stated that the effective management of deep-sea resources requires a well-structured environmental baseline database. Germany welcomed growing research projects evaluating the effects of deep-sea mining. New Zealand, also on behalf of Canada and Australia, welcomed work on a compliance system that can act swiftly, and preemptively if necessary, to protect the marine environment.

### *Strategic Plan*

The Assembly addressed the draft strategic plan 2019-2023 (ISBA/24/A/4) on Wednesday and Thursday, 25-26 July, with two revised drafts tabled on Thursday. Secretary-General Lodge reported on the open consultation process that led to the draft and also introduced a draft decision requesting the Secretary-General to prepare for consideration at the 25th Session: a high-level action plan with key performance indicators and outputs; and a detailed overview of implementation mechanisms, including monitoring and evaluation. Several delegations welcomed the draft strategic plan and the consultative process that led to it. China underlined the importance for the draft strategic plan to be in line with UNCLOS obligations, notably regarding the impacts of exploitation in the Area on the economies of land-based producers of the same minerals.

New Zealand noted the plan is just the start of a long-term process, recommending a similarly open consultative process for formulating future strategic plans and, supported by the UK, welcomed recognizing the link between the ISA’s work and the SDGs. India suggested establishing milestones, timelines, and deliverables to ensure effective implementation of the strategic plan. The Fish Reef Project suggested reflecting in the draft plan the need for social mitigation projects in coastal areas. On Thursday, Australia proposed referring to “mutually reinforcing” strategic directions. Viet Nam sought clarification on the link between the strategic plan and the high-level action plan.

**Exploitation Regulations:** The Netherlands, supported by the UK, queried how the agreed target for the completion of the draft exploitation regulations in 2020 fits into the implementation of the strategic plan. Australia, supported by the UK, stressed the balance between sound commercial practices and environmental considerations in light of UNCLOS and SDG 14. Japan recommended a balanced approach between providing incentives to contractors and ensuring marine protection. Poland suggested including REMPs and the data management strategy in the exploitation regulations. Singapore cautioned against pre-judging

the outcomes of the exploitation regulations. On Thursday, the Holy See suggested referring not only to “sound,” but also “balanced,” exploitation regulations.

**International Cooperation:** Australia underscored the need to avoid silos and articulate outcomes related to cooperation with other organizations. Norway supported collaboration with other organizations in marine research. Japan welcomed cooperation with other international organizations, noting that it helps with SDG implementation.

**Common Heritage:** The African Group, Jamaica, and the Philippines called for strengthening references to the common heritage. Thailand highlighted equitable sharing of financial benefits and more opportunities for developing countries to participate in the Training Programme. Tonga underscored equitable benefit-sharing and the establishment of the Economic Planning Commission to operationalize the common heritage principle. Jamaica, supported by the African Group, opposed reference to the Enterprise’s operation as a “future” issue and called for more ambitious language on the Enterprise as an “independent” organ. Cuba underlined the need to ensure capacity building and technology transfer for developing countries aligned with the common heritage principle. Bangladesh stressed the need for robust exploitation regulations reflecting international standards in line with the SDGs to ensure benefits for all humankind; and, with Tonga, Nauru, and China, requested a dedicated section on the common heritage and equitable benefit-sharing. Mexico emphasized: collaborative networks for sharing marine research results and promoting technology transfer to benefit developing countries; and a mechanism to address the impacts of exploitation in the Area on the economies of land-based producers of the same minerals. Morocco suggested involving developing countries in scientific research and developing a payment regime that ensures equitable benefit-sharing.

Poland recommended promoting scientific cooperation and data sharing, as well as operationalizing the Enterprise to share benefits from the common heritage of humankind. France drew attention to: the MIT study on the financial payment system; the equitable sharing of financial and other economic benefits derived from activities in the Area; and the assessment of the impacts of deep-seabed mining on the economy of countries that are land-based producers of the same minerals, and a compensation mechanism for these countries. India called for prioritizing capacity building and further analyzing the financial models for equitable benefit-sharing. On Thursday, Brazil requested including a reference to the “full operation of the Enterprise as foreseen in UNCLOS and the 1994 Agreement.” India proposed, and delegates agreed, to refer to the “operationalization” of the Enterprise.

**Participation:** The African Group sought clarification on a reference to “integrated,” rather than “full,” participation by developing states. Nauru underlined the importance of developing countries’ participation, especially SIDS. The DSCC requested reference to “ensuring,” rather than “facilitating,” fuller, more active and more informed participation by ISA members and stakeholders. On Thursday, the African Group requested reference to “full participation by developing states,” with the Philippines recommending consistent reference to this expression in the strategic plan. The DSCC recommended referring not only to ensuring public access to environmental information, but also to stakeholder participation in decision-making, in review and judicial matters.

The Sargasso Sea Commission proposed reference to stakeholder consultation, rather than stakeholder participation

in decision-making. GRULAC, supported by Australia and the DSCC, proposed referring only to participation by stakeholders. Belgium suggested replacing “decision making” with “process.” On a further revised draft, Brazil preferred referring to consultations. Australia proposed, and delegates agreed, to refer to ensuring participation by stakeholders “as appropriate.”

**Transparency:** Germany, supported by the DSCC, requested reference to “ensuring,” rather than “facilitating,” access to non-confidential information; and suggested explicitly addressing transparency. Belgium supported public consultation and, with Italy and Chile, transparency. Argentina asked how stakeholder consultation and public access to environmental information will be ensured. India recommended clarifying transparency criteria.

**Environmental Protection:** The African Group supported stronger language on environmental protection. Cameroon suggested including among guiding principles on environmental protection also ensuring a better understanding of the marine environment. Cuba emphasized the role of EIAs and REMPs. Mexico emphasized transparency and collaboration in designing REMPs. The DSCC recommended reference to “ensuring” the effective protection of the marine environment.

Trinidad and Tobago recommended joining global efforts to fight pollution and climate change, as well as to achieve SDG 14. Nepal supported taking note of the transition from the exploration to exploitation phase, an “ecosystem first approach,” the polluter pays principle, transparency, and the sharing of quantitative and qualitative data on the Area.

The African Group, with Nauru, the Philippines and Chile, called for references to the BBNJ process. Jamaica suggested referring to transparent and accountable methods to ensure coherence between the ISA and the BBNJ process, as well as the effective protection of the marine environment. On Thursday, Viet Nam requested clarifications regarding the links with the BBNJ process.

Singapore proposed better reflecting the ISA’s role in marine protection, and suggested that the ISA effectively safeguard not only the legitimate interests of members and contractors, but also other users of the marine environment. Belgium requested references to conservation, protected areas, and the precautionary approach. Norway, supported by the UK, pointed to the challenges of addressing the scientific, technical, and commercial uncertainty in relation to environmental protection. Belgium and the Sargasso Sea Commission cautioned against limiting the scope of the section on the marine environment, and suggested reference to ensuring sufficient protection for the “marine environment,” rather than just “biodiversity” when developing, implementing, and reviewing EIAs and REMPs.

The Holy See encouraged the ISA to ensure that the rights of member states and commercial enterprises do not shift the focus away from the greater good of protecting the environment. The DSCC drew attention to a joint submission on the strategic plan from 50 NGOs calling for a process to investigate in a comprehensive, participatory, and science-based manner the need for deep-seabed mining and its long-term consequences for the planet and humankind. He proposed replacing “developing scientifically and statistically robust monitoring programmes and methodologies to assess the potential for activities in the Area to interfere with the ecological balance of the marine environment” with “preventing, reducing, and controlling pollution and other hazards to the marine environment, including through developing appropriate regulations, procedures, monitoring programmes, and methodologies.” IUCN urged integrating in the strategic plan reference to strategic environmental goals and objectives, which

should be considered binding standards to guide the development of REMPs and environmental management plans.

On Thursday, Monaco welcomed references to encouraging marine scientific research and requested mentioning the International Atomic Energy Agency's Marine Environmental Studies Laboratory. The Russian Federation drew attention to the need to continue providing incentives for contractors to ensure new investments in the Area. He commended the balanced reference to commercial activity and environmental protection, as well as equitable benefit-sharing.

The African Group, supported by the DSCC, favored reference to the precautionary "principle." Belgium, supported by Bangladesh, preferred "approach" with a reference to the 1992 Rio Declaration on Environment and Development. Australia opposed reference to the "precautionary principle," agreeing on adding a mention of the Rio Declaration. Secretary-General Lodge proposed, and delegates agreed, to refer to the precautionary approach, along with a reference to the Rio Declaration.

**Monitoring and Review:** Tonga underscored the need for review mechanisms. China suggested that monitoring and review mechanisms should include regular analysis of metal and mineral market prices, trends, and potential impacts on land-based producers of those minerals. Guyana suggested a list of short-, mid-, and long-term goals to monitor the plan's implementation. Singapore cautioned against excessive evaluation mechanisms. Italy underscored regular monitoring of risks of pollution and the interlinkages between offshore oil and gas and deep seabed mining, announcing a workshop on this theme to be held in late March 2019 in Italy. Argentina queried which ISA organ will be tasked with implementing the monitoring and evaluation mechanism. On Thursday afternoon, delegates adopted the strategic plan with these amendments, as well as the corresponding decision.

**Final Outcome:** In the decision relating to the Strategic Plan of the ISA for 2019-2023, the Assembly:

- adopts the Strategic Plan of the ISA for 2019-2023, which provides a uniform basis for the strengthening of existing working practices of the ISA;
- invites members and observers and ISA organs to support the implementation of the Strategic Plan;
- requests the Secretary-General to prepare a high-level action plan, including key performance indicators and a list of outputs for the next five years for consideration by the Assembly at its 25th session;
- requests the Secretary-General to provide the Assembly with a detailed overview of the implementation mechanisms to be established, including for monitoring, evaluation, and learning; and
- emphasizes the importance of ensuring that the implementation mechanisms also include provision for midterm and final evaluation, to enable an assessment of the implementation and impact of the strategic plan, enhancing organization development effectiveness and accountability, as well as informing, with lessons learned, to assess implementation and inform the development of the next strategic plan.

The Strategic Plan consists of a mission statement, context and challenges, strategic directions, and expected outcomes. The Strategic Plan's guiding principles, include, *inter alia*, to:

- promote the orderly, safe, and rational management of the resources of the Area for the benefit of humankind as a whole;
- promote the exchange of best practices;
- ensure a better understanding, and the effective protection of, the marine environment;

- promote harmonized approaches to marine environmental protection;
- ensure transparency and accountability of results;
- ensure the use of best available scientific information; and
- require the application of the precautionary approach as reflected in Principle 15 of the Rio Declaration.

The Strategic Plan sets out the mission of the ISA to:

- be the organization through which states parties organize and control activities in the Area, which is the common heritage of mankind;
- promote the orderly, safe, and responsible management and development of the resources of the Area for the benefit of humankind as a whole, including ensuring the effective protection of the marine environment in accordance with sound principles of conservation and contributing to agreed international objectives and principles, including the SDGs;
- develop and maintain a comprehensive regulatory mechanism for commercial deep-seabed mining that incorporates effective protection of the marine environment and of human health and safety, the equitable sharing of financial and other economic benefits from activities in the Area; and
- allow for fully integrated participation of developing states through knowledge and best practice exchange consistent with the principle of the common heritage of humankind.

The Plan recognizes the ISA needs to achieve an appropriate balance between multiple objectives, namely:

- globalization and sustainable development;
- the need to adopt sound and balanced exploitation regulations;
- environmental protection;
- promoting and sharing the results of marine scientific research;
- the importance of capacity building and technology transfer in realizing the common heritage of humankind;
- facilitating the participation of developing states in activities in the Area, including identifying possible approaches to the independent operation of the Enterprise;
- equitable sharing of benefits;
- organizational development; and
- transparency.

The Plan sets out mutually-reinforcing strategic directions, including to:

- realize the role of the ISA in a global context, including aligning its programmes towards the realization of relevant SDGs, and strengthening coordination with relevant international organizations;
- strengthen the regulatory framework for activities in the Area, including incorporating best practices for environmental management, and ensuring the framework is adaptive and responsive to new technology, information, and knowledge;
- protect the marine environment, including to prevent, reduce, and control pollution and other hazards;
- ensure public access to environmental information—including from contractors—and participation by stakeholders, as appropriate;
- promote and encourage marine scientific research in the Area, including with particular emphasis on researching environmental effects of activities, establishing strategic partnerships, and proactively engaging with the international scientific community;
- build capacity for developing states, ensuring measures are meaningful, tangible, efficient, effective, and targeted at their needs, and maximizing funding opportunities under the Endowment Fund and the Contractor Training Programme;
- ensure fully integrated participation by developing states, including land-locked and geographically disadvantaged states,

SIDS, and least developed countries, and identifying possible approaches to the independent operation of the Enterprise;

- ensure equitable sharing of financial and other economic benefits;
- improve the organizational performance of the ISA, including strengthening its institutional capacity and functioning and ensuring a fuller, more active, and more informed participation of members and stakeholders, leading to a more inclusive approach to decision-making; and
- commit to transparency, including ensuring access to non-confidential information and building a stakeholder communications and consultation strategy.

The expected outcomes of the Strategic Plan include:

- a comprehensive legal framework for carrying out activities in the Area for the benefit of humankind as a whole, including necessary measures to ensure effective environmental protection, effective protection of human life, and orderly, safe, and rational management of the Area's resources;
- an appropriate mechanism for equitable benefit-sharing;
- monitoring and review of trends and developments related to deep-seabed mining activities; and
- the operationalization of the Enterprise as foreseen under UNCLOS and the 1994 Agreement.

### **Report of the Finance Committee**

On Wednesday, 25 July, Finance Committee Chair Andrzej Przybycin (Poland) introduced the report of the Finance Committee (ISBA/24/A/6 - ISBA/24/C/19). Delegates discussed the budget on Wednesday and Thursday.

India reiterated his reservations, first raised in the Council meeting, on the increase of overhead costs for contractors, requesting time to consult capital and access to historical data on administrative costs. Secretary-General Lodge indicated that all available data have been made available. The UK considered the increase "fair." Canada reiterated the need to overcome the deficits of the Voluntary Fund to ensure adequate participation by developing countries. Argentina, supported by Jamaica, pointed to broad support for the budget.

On Thursday, India recalled his concern about the proposed increase in contractors' overhead charge starting in 2019, noting that India's national annual budget for 2018-2019 has already been adopted. China and the Russian Federation stated they face the same challenge. Delegates agreed to adopt the budget with a clarification that contractors that are not in the position to pay the full amount of overhead charges may inform the Secretary-General that they will defer the payment of the balance until 2020. China inquired whether this will be reflected in the budget decision or the President's statement. Responding to Argentina's query, Secretary-General Lodge added that, in case of underpayments in 2019, there will be no consequences on the budget as a whole, given that it runs over two years.

**Final Outcome:** In the final decision (ISBA/24/A/L.2), the Assembly decides, for the financial period 2019-2020, taking into account the recommendations of the Finance Committee and the Council, to:

- approve the ISA's budget for 2019-2020 of US\$18,235,850;
- ask the Secretary-General to continue efforts to recover outstanding contributions;
- urge members and other possible donors to make voluntary contributions to the Endowment Fund for Marine Scientific Research in the Area and the existing voluntary trust funds; and

- increase contractors' annual overhead charge from US\$47,000 to US\$60,000, effective 1 January 2019.

### **Elections to the Council**

President Jędrysek introduced a draft decision to fill the vacancies on the Council. The Assembly adopted the decision by acclamation.

**Final Outcome:** In the final decision (ISBA/24/A/L.3), the Assembly elects for a four-year period from 1 January 2019, subject to understandings reached in the regional and interest groups:

- Group A: Italy and the Russian Federation;
- Group B: France, Germany, and the Republic of Korea;
- Group C: Australia and Chile;
- Group D: Fiji, Jamaica, and Lesotho; and
- Group E: Cameroon, Ghana, Indonesia, Mexico, Mozambique, Nigeria, Singapore, and Tonga.

### **Dates of the Next Assembly Meeting**

The Assembly meeting of the 25th Session of the ISA will take place in Kingston, Jamaica, from 21-26 July 2019. Several delegates expressed appreciation for the work conducted during the Council and Assembly meetings. Monaco and others praised the *Earth Negotiations Bulletin* for contributing to the dissemination of knowledge about UNCLOS. Thanking delegates, observers and all participants for their hard work and efficiency, President Jędrysek gavelled the meeting to a close at 3:44 pm.

### **A Brief Analysis of the Meetings**

"We are live," was often repeated at the record-attendance meetings of the ISA Council and Assembly. The meetings were being live-streamed for the first time, recognizing growing interest in the ISA's work, as well as growing expectations of increased transparency. Many participants at this session recognized that the pace is intensifying, with the production of two revisions of the draft exploitation regulations by the ISA's Legal and Technical Commission (LTC) since the last Council meeting in March 2018. While the sense of urgency to try and complete the regulations by the target date of 2020 remains, there is also broad recognition that "much more work" still lies ahead. This brief analysis focuses on the achievements and areas for further work in developing the exploitation regulations to fully operationalize the unique regime envisaged in the UN Convention on the Law of the Sea (UNCLOS) on the common heritage of humankind.

### **Payment System – Common Heritage and Monetary Benefit-Sharing**

Predictably, the Council was once again knee-deep in economic debates about the possible financial models for the payment system. Many see this as the cornerstone of the exploitation regulations. Indeed, according to several participants, the main reason why the international community is engaging in the regulation of deep-seabed mining in the Area is to develop a long-promised monetary benefit-sharing mechanism that can compensate the vast majority of countries, that are not in a position to participate in exploitation, for the loss of resources that UNCLOS has defined as belonging to humankind as a whole.

For the second time this year, an expert from MIT presented potential financial models, developed together with the LTC. The Council engaged in workshop-style discussions to help clarify which financial, regulatory, monitoring, and enforcement decisions will impact the amount of cash flowing into the ISA,

which, once ISA costs are covered, could be distributed to states. The lengthy presentation reminded all about one key assumption behind the model: investors will only engage in exploitation if they will get enough of a return on their investment. Or in MIT Professor Richard Roth's words: "The right balance has to be found between how much money will remain with investors and how much money will be financing the common heritage for this to be an economically attractive endeavor for investors."

While these and other clarifications were considered helpful, the Council did not advance in choosing the preferred model (royalty- or profit-based) outlined by Roth. Instead, following a swiftly supported proposal by Germany, the Council required MIT to revamp work done so far, by integrating other studies that had already been produced by Germany, the Chinese contractor, and the African Group. "The key part of this recommendation," explained a delegate, "is to provide alternative scenarios and contrast divergent assumptions, to give us a broader basis to weigh the pros and cons of each model."

The discussion also confirmed some of the limitations of the MIT model, such as the fact that it does not include monetization of environmental damage. As the German proposal also tasks MIT to make the revised study open to public comment before the next Council meeting, some saw this as an opportunity for incorporating into the discussion of the payment system different areas of expertise, including branches of economics that have more to say on environmental externalities and ecosystem services valuation. As an observer mused, referring to the 2018 *Costa Rica v Nicaragua* compensation case, "The International Court of Justice has just relied on ecosystem services to estimate environmental harm. Shouldn't that also be a consideration in our work?"

### ***Draft Regulations – Common Heritage and Effective Protection of the Marine Environment***

The Council's detailed discussion of the revised draft regulations revealed what many believe to be an equally—if not more, according to some—important component of the common heritage. As eloquently highlighted in a series of interventions by the Holy See, "We must ensure that economic considerations don't obscure the greater good of protecting the environment." Other observers made even more existential points. "UNCLOS language implies the option of not proceeding with deep-seabed mining if we cannot guarantee adequate environmental protection," a freshly-launched IUCN study concluded. And a submission from 50 NGOs called for an investigation into the need for deep-seabed mining and its long-term consequences for the planet and humankind.

Whether persuaded or not by this argument, several national delegations emphasized the need to strengthen environmental guarantees in the draft regulations. "We can see progress in the revised draft: the inclusion of the environmental fund, for instance, is good news and responds to a specific gap identified by the International Tribunal for the Law of the Sea," pointed out a delegate. "But we still need to work out who will be responsible for regional environmental management plans (REMPs) and how these plans will be drafted and adopted." He further expressed concern that at the moment, as explained by the Secretary-General, the ISA is dependent on external money and expertise to develop REMPs.

Others were pleased with the swift acceptance of the Netherlands' recommendations to clarify existing international environmental measures, which should be taken into account when giving the green light to exploration and future exploitation. "This sends a signal that the ISA is not isolated from other

international initiatives, such as the Convention on Biological Diversity's (CBD) ecologically or biologically significant marine areas (EBSAs), which the Council at the previous session seemed reluctant to engage with," commented a veteran. "But it is too soon to predict the extent to which the recommendations will actually affect the approval of plans of work," she soberly acknowledged. The optimists in the room celebrated that the CBD Secretariat, for the first time, participated in the Council meeting, offering to share scientific information and lessons learned about environmental impact assessments (EIAs) and the ecosystem approach. Other delegates remarked that this is indeed a matter of institutional coordination, appreciating the recommendation to the Secretariat to keep the list of measures updated, as the international landscape on the protection of the marine environment is rapidly evolving. A more cautious observer, however, pointed to a bigger gap: the largely undetermined process for decision-making and review under the ISA. "It was heartening to see the first EIAs for the testing of mining equipment by Belgian and German contractors being published on the ISA website, but we don't know when the LTC will review them and what will happen next," he concluded.

"There are also other environmental issues we have barely touched upon," added a participant, "like the system of inspections and monitoring," which will be discussed at the next Council meeting among the final parts of the draft regulations. "In the end, I think this is a question that is going to be determined by the technologies that contractors can deploy in the near future," pondered a negotiator. "They will develop 'gadgets' to automatically 'beam' information from the seabed to sponsoring states and the ISA. But we still have to decide what information they will be required to provide," she added. "Not to mention," another participant chipped in, "that we still need to strengthen the scientific capacity within the ISA to analyze such data," hinting at the Belgian proposal to engage three independent environmental experts to that end. "The proposal is in line with standard scientific peer-review practice," commented an insider. "It is an alternative to the NGO proposal to establish an environmental committee, which will face delays and conflicts of interest as such a committee will be likely composed of government representatives." "But I am not sure how much support there actually was for Belgium's proposal," another delegate observed, noticing that many supporting statements underlined cost-effectiveness considerations. "I bet that some delegations will work on yet other alternative suggestions in the next intersessional period."

### ***The Enterprise – the Forgotten "Arm" of Common Heritage?***

Another unique dimension of the common heritage surfaced during the Council meeting: the operationalization of the Enterprise. This is an organ foreseen in UNCLOS as the ISA's own mining arm to allow developing countries to concretely participate in mining activities in the Area (initially through joint ventures). It is expected, according to an early submission by GRULAC, to give humankind the capacity "to participate directly in the administration and management of the Area and the exploitation of its resources." This unique body in international law, however, has not yet been established, partly due to the "evolutionary approach" to institutional development within the ISA. The possible creation of the Enterprise was discussed in the LTC a few years ago and terms of reference had been drafted for a study on legal and other questions surrounding the Enterprise, but the study had not gone ahead at the time, due to other priorities on the LTC agenda. The combined effect of a proposal

from Poland to develop a joint venture with the Enterprise and a submission from the African Group, with GRULAC support, put this issue prominently back on the Council's agenda.

The African Group's proposal mainly raised two issues around the Enterprise. The first is the establishment of a way—complementary to the payment system—to share, and potentially maximize, benefits for developing countries from deep-seabed mining, including technology transfer. This would require integrating the Enterprise into both the draft exploitation regulations and the economic modeling. As a result, several developing countries called for completing the study in time to feed into the negotiations while other “pieces of the puzzle” are still moving. Nobody underestimates the complex technical questions lying ahead for the Enterprise. As the ISA Secretary-General outlined, one of the key challenges is to ensure the Enterprise is set up according to sound commercial practices, but neither the Polish submission nor the African Group's proposal touched upon this issue. In addition, he noted that once in existence, the Enterprise will be treated “as other contractors,” which seemed to be a view shared by other delegations based on the scant UNCLOS provisions on this topic. Developed-country delegations, however, pointed out that the Enterprise has a different status, given it is an organ of the ISA reporting to the Council and representing humankind, rather than private or national interests. As the African Group's proposal indicated, consideration of the Enterprise would give different weight to other contractors' concerns, which appear so far preponderant in the financial models. Be that as it may, the two regional groups have reiterated through the Council and Assembly meetings that they will not consider negotiations on the exploitation regulations concluded until the Enterprise is fully operationalized.

The second dimension of the African proposal was the immediate appointment of an interim director-general among ISA staff, as well as an independent special representative that could “speak for the Enterprise” in the regulations negotiations. Developing country delegations expect that this will give an additional voice to their concerns, including when they cannot agree on regional positions, and possibly also better represent land-locked countries. In the corridors, certain developed-country delegates considered this a helpful input into the discussions, but others were perplexed about introducing a new element in an already complex balancing of diverse interests and growing expectations. “A lot will depend on the person who will be appointed and whether there is already a trusted, available candidate who is up to the task,” pondered an observer.

### ***Strategic Plan – Common Heritage and the SDGs***

The Assembly's discussions on the strategic plan also featured the common heritage, the Enterprise, environmental protection, and the payment system. Generally welcomed, the strategic plan is a succinct document that places the ISA in the context of global challenges and the Sustainable Development Goals (SDGs) and is expected to give direction to ISA work over the next five years. It was generally well received, partly thanks to what was largely perceived as a timely and inclusive consultation process that led to the integration of inputs from multiple stakeholders. As government delegates, the Secretariat and other stakeholders were considering the extensive amount of homework before the next Council meeting in March 2019 (written comments on the regulations by the end of September, workshops on a variety of technical topics, and public consultations on the payment system), some participants wondered whether further reflection on the role of the ISA in the context of the SDGs, and the influence

of the SDGs on the ISA's work, will shed new light on the evolving understanding of the common heritage and its benefits to humankind as a whole.

## **Upcoming Meetings**

### **International Workshop on Processing Technologies, Metal Recoveries & Economic Feasibility of Deep Sea Mining:**

This workshop will focus on: processing (metal recovery), economic feasibility of mining seabed minerals, impact of seabed mining on terrestrial mineral supplies, environment – clean marine technology, waste disposal and recycling, international cooperation, regulations and role of the ISA as a regulator.

**dates:** 3-6 September 2018 **location:** Warsaw, Poland **contact:** Pratima Jauhari or Sandor Mulsow **phone:** +1-876- 922-9105 (ISA secretariat) **fax:** +1-876-922-0195 **email:** pjauhari@isa.org.jm or smulsow@isa.org.jm **www:** <https://www.isa.org.jm/workshop/processing-technologies-metal-recoveries-economic-feasibility-deep-sea-mining-3-6-sept-2018>

**49th Pacific Islands Forum:** Nauru will host the 49th Pacific Islands Forum, which will focus on the theme “Building a Strong Pacific: Our Islands, Our People, Our Will.” During the Forum, a side event will be held by Nauru Ocean Resources Inc. and the ISA on regulations for deep-seabed mining. **dates:** 3-6 September 2018 **location:** Yaren, Nauru **contact:** Pacific Islands Forum Secretariat **phone:** +679-331-2600 **email:** info@forumsec.org **www:** <https://www.forumsec.org/>

**First Session of the Intergovernmental Conference on BBNJ:** The first session of the Intergovernmental Conference (IGC) on an international legally binding instrument (ILBI) under the UN Convention on the Law of the Sea (UNCLOS) on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ) will begin work based on the elements of a draft text of an ILBI. **dates:** 4-17 September 2018 **location:** UN Headquarters, New York **contact:** UN Division of Ocean Affairs and the Law of the Sea (UNDOALOS) **phone:** +1-212-963-3962 **email:** doalos@un.org **www:** <https://www.un.org/bbnj/>

**67th Meeting of the International Whaling Commission (IWC 67):** IWC 67 will discuss aboriginal subsistence whaling, cetacean status and health, unintended anthropogenic impacts, scientific permits, conservation management plans, whale watching, and other whale conservation and management issues. **dates:** 10-14 September 2018 **location:** Florianopolis, Brazil **contact:** IWC Secretariat **phone:** +44(0)1223-233-971 **fax:** +44(0)1223-232-876 **www:** <https://iwc.int/iwc67>

**2018 Annual General Meeting of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF):** The theme of this year's meeting is “Modern mining law and policy: Accountable, equitable and innovative approaches.” Other topics to be covered, include: tax base erosion and profit shifting; local content policies; gender toolkits and assessments; best practices in environmental and social impact assessments and permitting for large-scale mining; and strategic environmental assessments for artisanal and small-scale mining. **dates:** 15-18 October 2018 **location:** Geneva, Switzerland **contact:** IGF Secretariat **phone:** +1-613-238-2296 (Ext. 105) **email:** Secretariat@IGFMining.org **www:** <http://igfmining.org/agm-2018/>

**2018 Arctic Circle Assembly:** The annual Arctic Circle Assembly is the largest annual international gathering on the Arctic and is attended by heads of state and government, ministers, members of parliaments, officials, experts, scientists, entrepreneurs, business leaders, indigenous representatives,

environmentalists, students, activists, and others interested in the future of the Arctic. **dates:** 19-21 October 2018 **location:** Reykjavik, Iceland **contact:** Arctic Circle Secretariat **email:** secretariat@arcticcircle.org **www:** <http://www.arcticcircle.org/assemblies/future>

**Seminar on the promotion of sustainable use of mineral resources in the deep seabed in support of the development of the blue economy in Africa:** This seminar, hosted by Côte d'Ivoire and organized by the ISA and the UN Economic Commission for Africa, will inform African francophone countries on the sustainable use of mineral resources in the deep seabed and its role in the development of the blue economy. **dates:** 22-25 October 2018 **location:** Abidjan, Côte d'Ivoire **contact:** ISA Secretariat **phone:** +1-876-922-9105 **fax:** +1-876-922-0195 **email:** <https://www.isa.org.jm/contact-us> **www:** <https://www.isa.org.jm/>

**73rd Session of the Marine Environment Protection Committee of the International Maritime Organization (MEPC 73):** At its last session, the MEPC agreed to include a new output to address the issue of marine plastic litter from shipping in the context of SDG 14 (Life below Water). Member states and international organizations were invited to submit concrete proposals to MEPC 73 on the development of an action plan. **dates:** 22-26 October 2018 **location:** London, United Kingdom **contact:** IMO Secretariat **phone:** +44(0)20-7735-7611 **email:** [info@imo.org](mailto:info@imo.org) **www:** <http://www.imo.org/en/MediaCentre/MeetingSummaries/MEPC/Pages/Default.aspx>

**Workshop considering coordination between submarine cables and activities in the Area:** This workshop, jointly hosted by the ISA and the International Cable Protection Committee will consider matters of coordination between submarine cables and activities in the Area. **dates:** 29-30 October 2018 **location:** Bangkok, Thailand **contact:** ISA Secretariat **phone:** +1-876-922-9105 **fax:** +1-876-922-0195 **email:** <https://www.isa.org.jm/contact-us> **www:** <https://www.isa.org.jm/>

**Fourth Intergovernmental Review Meeting on the Implementation of the GPA:** The UNEP Global Programme of Action (UNEP/GPA) aims to prevent the degradation of the marine environment from land-based activities by facilitating the realization of the duty of states to preserve and protect the marine environment. The Fourth Intergovernmental Review Meeting on the Implementation of the GPA allows governments and other stakeholders to review the status of the implementation of the GPA and decide on action to be taken to strengthen its implementation. **dates:** 31 October – 1 November 2018 **location:** Bali, Indonesia **contact:** UNEP GPA Coordination Office **email:** [gpa@unep.org](mailto:gpa@unep.org) **www:** <http://www.unep.org/nairobiconvention/unep-global-programme-action-unepgpa>

**African Biodiversity Summit:** Egypt, in collaboration with the CBD Secretariat, the African Union, the African Ministerial Conference on the Environment, and other partners, will convene an African Biodiversity Summit prior to the UN Biodiversity Conference. **date:** 13 November 2018 **location:** Sharm el-Sheikh, Egypt **contact:** CBD Secretariat **phone:** +1-514-288-2220 **fax:** +1-514-288-6588 **email:** [secretariat@cbd.int](mailto:secretariat@cbd.int) **www:** <https://www.cbd.int/doc/notifications/2018/ntf-2018-055-african-biodiversity-summit-en.pdf>

**2018 UN Biodiversity Conference:** The 14th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD), the 9th Meeting of the Parties to the Cartagena Protocol on Biosafety and the 3rd Meeting of the Parties to the Nagoya Protocol on Access and Benefit-sharing (CBD COP 14, Cartagena Protocol COP/MOP 9, and Nagoya Protocol COP/MOP 3) are expected to address a series of issues related to

implementation of the Convention and its Protocols. A High-level Segment will be held from 14-15 November. **dates:** 17-29 November 2018 **location:** Sharm el-Sheikh, Egypt **contact:** CBD Secretariat **phone:** +1-514-288-2220 **fax:** +1-514-288-6588 **email:** [secretariat@cbd.int](mailto:secretariat@cbd.int) **www:** <https://www.cbd.int/conferences/2018>

**Sustainable Blue Economy Conference:** The first global conference on the blue economy will be hosted by Kenya. Participants will share ideas on how to transition to a blue economy that: harnesses the potential of oceans, seas, lakes, and rivers to improve the lives of all, particularly developing states and women and girls; and leverages the latest innovations, scientific advances, and best practices to build prosperity, while conserving waters for future generations. **dates:** 26-28 November 2018 **location:** Nairobi, Kenya **contact:** Kenya Ministry of Foreign Affairs **phone:** +254-20-3318888 **email:** [blueeconomykenya@mfa.go.ke](mailto:blueeconomykenya@mfa.go.ke) **www:** <http://www.blueeconomyconference.go.ke/>

**International expert workshop on a benefit-sharing mechanism appropriate for the common heritage of humankind:** This international workshop will discuss benefit-sharing and the proposed financial payment mechanism in light of the implementation of the common heritage of humankind and taking into account a wider view of deep-sea economics. This workshop will be hosted by the German Environment Agency and the Institute for Advanced Sustainability Studies. **dates:** 26-29 November 2018 **location:** Potsdam, Germany **contact:** Institute for Advanced Sustainability Studies **phone:** +49-331-28822-419 **email:** [sabine.christiansen@iass-potsdam.de](mailto:sabine.christiansen@iass-potsdam.de) or [torsten.thiele@iass-potsdam.de](mailto:torsten.thiele@iass-potsdam.de) **www:** <https://www.iass-potsdam.de/en/events>

**25th Session of the ISA Council (Part I):** The ISA Council will continue discussions on, *inter alia*, the payment mechanism and the draft exploitation regulations. **dates:** 25 February – 1 March 2019 **location:** Kingston, Jamaica **contact:** ISA Secretariat **phone:** +1-876-922-9105 **fax:** +1-876-922-0195 **email:** <https://www.isa.org.jm/contact-us> **www:** <https://www.isa.org.jm/>

For additional upcoming events, see <http://sdg.iisd.org/>

## Glossary

Area	Seabed and ocean floor and subsoil thereof, beyond the limits of national jurisdiction
BBNJ	Biodiversity of areas beyond national jurisdiction
CBD	Convention on Biological Diversity
DOSI	Deep Ocean Stewardship Initiative
DSCC	Deep Sea Conservation Coalition
EBSAs	Ecologically or biologically significant marine areas
EIA	Environmental impact assessment
GRULAC	Latin American and Caribbean Group
IMO	International Maritime Organization
ISA	International Seabed Authority
IUCN	International Union for Conservation of Nature
LTC	Legal and Technical Commission
MIT	Massachusetts Institute of Technology
REMP	Regional environmental management plan
SEAs	Strategic environmental assessments
SDGs	Sustainable Development Goals
SIDS	Small island developing states
UNCLOS	UN Convention on the Law of the Sea
UNDOALOS	UN Division for Ocean Affairs and the Law of the Sea