



STATEMENT BY
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Agenda item 76 (a)
OCEANS AND THE LAW OF THE SEA
66th SESSION OF THE GENERAL ASSEMBLY
OF THE UNITED NATIONS

6 DECEMBER 2011

New York

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Mr. President,

Allow me first of all to congratulate you on your election to the Presidency of the sixty-sixth session of the General Assembly. I have every confidence in your ability to guide the Assembly to a successful conclusion.

Mr. President, distinguished delegates, ladies and gentlemen,

I wish to refer to the two resolutions before the General Assembly and express my appreciation to member States for their references to the work of the International Seabed Authority contained in draft resolution A/66/L.21. I also express appreciation for the very comprehensive report of the Secretary-General which, as always, provides detailed background material for our consideration.

At its seventeenth session, in July 2011, the Council of the Authority approved four new applications for plans of work for exploration in the Area. Two plans of work, sponsored by China and the Russian Federation respectively, were approved relating to exploration for polymetallic sulphides, and two further plans for work, sponsored by Nauru and Tonga respectively, were approved relating to exploration for polymetallic nodules in the areas of the seabed reserved for the conduct of activities by developing States. In their own way, each of these represented a milestone in the work of the Authority.

The two applications sponsored by China and the Russian Federation were the first such applications to have been made under the Authority's regulations on polymetallic sulphides, adopted in 2010. As I mentioned in my statement to the Assembly last year, this is an entirely new resource with tremendous potential as a future source of seabed minerals.

Following the approval by the Council of the two applications, I had the honour, on 18 November 2011, in Beijing, to sign the first ever fifteen-year exploration contract for polymetallic sulphides in the Area, with China Ocean Minerals Research and Development Association. I congratulate COMRA and the Government and People of China on this important achievement. The contract with the Russian Federation is in the process of being finalized and I look forward to signing it in due course.

Mr. President,

Another first for the Authority was the approval of two applications by private-sector interests, sponsored by developing States, for plans of work for exploration for polymetallic nodules in the so-called reserved areas. The Council approved applications by Nauru Ocean Resources Inc., sponsored by the Republic of Nauru, and by Tonga Offshore Mining Ltd., sponsored by the Kingdom of Tonga. Not only are these the first applications for exploration licences in the international Area by genuinely private-sector entities, but also they are the first applications to have been made for reserved areas, on the basis of sponsorship by developing States.

Mr. President,

This is a tremendously important development. I would like to remind the Assembly that the original purpose behind the parallel system of exploitation as set out in the Convention was to provide developing States with a practical and realistic means of participating in seabed mining, either in their own right or through the Enterprise. The effect of the 1994 Agreement was to delay, perhaps indefinitely, the establishment of the Enterprise, leaving developing States with few options to actively participate in seabed mining given the huge financial risks involved. The only realistic option for most developing States therefore is to form partnerships with commercial interests that have access to the financial capital and technology that are necessary to conduct deep sea exploration. This is exactly what has happened in the case of Nauru and Tonga. This could not have happened, however, unless the private sector had sufficient confidence in the regulatory system that has been developed by the Authority over the past 15 years to make such an investment in the first place.

I wish to congratulate Nauru and Tonga, as well as their commercial partners, on being the first developing States to participate in exploration in the Area. I also believe that all members of the Authority may congratulate themselves on having, at least to this point, developed a regulatory system that respects the careful balance of interests reflected in Part XI of the Convention whilst at the same time providing sufficient incentives and security of tenure to enable the private sector to invest in developing the common heritage of mankind. I believe that these developments are encouraging both for the Authority and for member States, who will be the ultimate beneficiaries from seabed mining.

Mr. President,

Let me remind the Assembly that from its establishment in 1996, until 2010, the Authority had issued eight exploration contracts to different States and entities, nearly all of which were former registered pioneer investors under resolution II of the Third UN Conference on the Law of the Sea. The fact of these four new applications, combined with a significantly increased interest on the part of private sector mining companies and deep ocean technology companies in participating in the seminars and workshops organized by the Authority, clearly indicates a renewed commercial interest in deep seabed mining as an alternative source for the minerals that are needed to fuel economic development in many parts of the world.

The huge technological and financial challenges involved in recovering nodules from great depths have led to long delays in making these resources capable of exploitation on a commercial scale. This in turn led many to question whether seabed mining will ever take place at all. The fact is, however, that not only are active research and development programmes for nodule mining continuing, but also geologists and engineers have been actively seeking out new resources and new areas of interest as potential sources of seabed minerals.

Nevertheless, it remains the case that investments that originate from the private sector will inevitably be guided largely by financial considerations, including the impacts of national taxation, payments to the Authority and debt financing. The responsibility of the Authority in these circumstances is to begin the process to develop fair and equitable policies and regulations for exploitation of marine minerals. Many of these issues were left pending as a result of the 1994 Implementation Agreement. How some of the critical legal and financial questions are addressed will be an important factor in eventually determining whether investment in the seabed mining industry will take place or not. This will form an important part of the Authority's work programme in 2012 and beyond.

Mr. President,

Another milestone in 2011, not only for the Authority, but also for the Convention as a whole, was the delivery in February 2011 of the advisory opinion by the Seabed Disputes Chamber on the obligations and responsibilities of States sponsoring activities in the Area.

As the Assembly will recall, the advisory proceedings were instituted by the Council of the Authority pursuant to article 191 of the Convention in response to a proposal originally submitted by the delegation of Nauru. The advisory opinion provides important clarification of some of the more difficult aspects of the Convention and the 1994 Agreement. The universal reaction to the opinion, including from academia, members of the Authority, and the seabed mining industry, has been positive, in that it has provided much-needed certainty in the interpretation of the obligations and responsibilities of sponsoring States under the Convention and the 1994 Agreement. This is an encouraging sign for the Authority and its member States, not least because it suggests that the commercial sector is developing confidence in the legal regime for the orderly development of the resources of the Area that has been put in place over the past 13 years.

I should like to use this opportunity on behalf of the Authority to express our appreciation to the outgoing President of the Seabed Disputes Chamber, Judge Treves, and to his colleagues, for the expeditious, diligent and transparent manner in which the advisory proceedings were conducted. I also wish to acknowledge the contributions of the 15 States Parties, as well as the intergovernmental and non-governmental organizations, that made written or oral statements to the Chamber. These contributions not only enriched the proceedings, but also demonstrated the strong commitment of States Parties to ensuring the integrity and resilience of the Convention regime.

Mr. President,

The need to protect and preserve the marine environment from the harmful impacts of seabed mining is a matter that has always been a particular concern of the Authority. Indeed, as recognized in draft resolution A/66/L.21, the Authority is under a

legal duty to elaborate rules, regulations and procedures for this purpose and to take such other steps as may be necessary.

In this regard, I wish to commend the Council of the Authority for the excellent progress it made in 2011 towards the establishment of regional environmental management plan for the Clarion Clipperton Zone in the Central Pacific Ocean, including the designation of a number of areas of particular environmental interest and proposals to advance the Authority's work on the establishment of environmental baselines. Although much more work needs to be done, I believe the decision taken by the Council, on the recommendation of the Legal and Technical Commission, is an important first step which reflects not only the provisions of the Convention and the 1994 Agreement, but also other commitments made by States, such as those contained in the Convention on Biological Diversity and the declarations of the World Summit for Sustainable Development, which are referred to in the draft resolution.

Mr. President,

Under the scheme set out in the Convention and the 1994 Agreement, and as a matter of international law, seabed mining cannot be authorized to proceed without prior environmental impact assessment. For this reason, a key driver of the Authority's work over the past decade has been the need to establish environmental baselines against which to measure the impacts of future seabed mining. This is a challenging task. The deep sea environment is very poorly understood and there is a critical need for more science in order to better understand the deep ocean, including more data and improved standardization of data, especially relating to taxonomy.

In this regard, I have just returned from Fiji, where the Authority was honoured, and delighted, to hold an international workshop on issues relating to environmental impact assessment of seabed mining in collaboration with the SOPAC division of the Pacific Community and the Government of Fiji. The workshop made good progress in identifying the issues which will need to be addressed in future environmental impact assessments as well as in identifying data gaps and areas for capacity building amongst developing island States. I wish to thank the Government of Fiji and the Permanent Representative of Fiji to the United Nations, Ambassador Thomson, who is also the President of the Assembly of the Authority, for their efforts in enabling this important workshop to take place.

Mr. President,

As mandated by the 1994 Agreement, the approach to the establishment of the Authority and the regulatory regime for the Area has been an evolutionary approach, linked directly to the pace of activities in the Area. At times over the past 15 years, the pace of activity has been slow, and this has been reflected in the apparent lack of activity in the Authority. Over the past two years, however, it is apparent that the pace of activity in the Area has increased rapidly and significantly, leading to substantially increased demands on the workload of the Authority and an increased recognition of the

Authority's role in the management of the seabed and ocean floor beyond national jurisdiction.

The establishment phase of the Authority's existence is well and truly over, and the Authority is now firmly in its operational phase. The decisions that will be made in the next few years are likely to be critical to the realization of the common heritage of mankind. As a consequence, it is more important than ever that all members of the Authority attend meetings and participate fully in all aspects of the work of the Authority. I therefore look forward to the widest possible participation by all members in the eighteenth session of the Authority in July 2011 at which, amongst other things, the budget for the next biennium will be considered. The newly-elected Legal and Technical Commission and Finance Committee will also meet for the first time during the eighteenth session. I congratulate the new members of these bodies on their elections and look forward to working with them in the coming years to help shape the future of the Authority.
