

### Council

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#### Twenty-seventh session

Council session, part II Kingston, 18–29 July 2022

# Statement by the President of the Council on the work of the Council during the second part of the twenty-seventh session

#### Addendum

### I. Resuming of the session

- 1. The second part of the twenty-seventh session of the Council was held from 18 to 29 July 2022 in hybrid format. The meetings were held at the Knutsford Court Hotel in Kingston, due to renovation work being undertaken at the Jamaica Conference Centre.
- 2. After consultations with the Bureau, it was expressed that, having considered rule 39 of the Rules of Procedure of the Council and paragraph 18 of the information note on logistical and procedural aspects for the twenty-seventh session for the Council (part II) and the Assembly (18 July–5 August 2022) dated 3 June 2022, all meetings of the Council and its working groups for this session, if members of the Council did not object, would be streamed through the International Seabed Authority Web TV.

# II. Report of the Secretary-General on the credentials of members of the Council

3. At the 285th meeting, on 26 July 2022, the Secretary-General informed the Council that, as at that date, formal credentials had been received from 29 members of the Council and information concerning the appointment of representatives had been communicated by means of facsimile or initialled notes verbale from six members of the Council.

# III. Election of members of the Legal and Technical Commission

4. At the 281st meeting, the President provided an update to the Council on the work undertaken by the informal contact group established pursuant to the decision of the Council relating to the election in 2022 of members of the Legal and Technical Commission (ISBA/27/C/20). Following the update, informal discussions on the





mechanism for the elections continued within the contact group from 18 to 21 July 2022.

- 5. At the 284th meeting, the President presented a draft decision of the Council relating to the nomination and election of members of the Legal and Technical Commission as the outcome of the discussions held by the informal contact group, for the consideration of the Council. There was no consensus to continue on the basis of this document, therefore, the President requested that informal discussions continue until a compromise was reached.
- 6. At its 289th meeting, the Council adopted decision ISBA/27/C/41 relating to the election of members of the Legal and Technical Commission.

# IV. Status of contracts for exploration and related matters, including information on the periodic review of the implementation of approved plans of work for exploration

- 7. At its 281st meeting, the Council took note of the report of the Secretary-General on the status of contracts for exploration and related matters, including information on the periodic review of the implementation of approved plans of work for exploration (ISBA/27/C/28). It also noted that it had received a notification from Companhia de Pesquisa de Recursos Minerais S.A., renouncing its rights in the exploration area contained in its contract for exploration for cobalt-rich ferromanganese crusts, as well as a notification from Brazil terminating the sponsorship the company.
- 8. The Council also took note of the five-year periodic review of implementation of the plans of work for the periods between September 2021 and May 2022 for exploration for polymetallic sulphides by the Government of India, for polymetallic nodules by Nauru Ocean Resources, Inc. and for polymetallic nodules by the Cook Islands, and further noted the periodic reviews to be undertaken in 2022.

# V. Report on matters relating to the Enterprise

- 9. Also at its 281st meeting, the Council resumed its consideration of the report of the Special Representative of the Secretary-General for the Enterprise (ISBA/27/C/14) and was invited to take note of additional information (ISBA/27/C/14/Corr.1 and ISBA/27/C/34).
- 10. The Council discussed the recommendations, as presented in the reports, to establish the position of interim director general within the secretariat following the step-by-step approach on the operationalization of the Enterprise. It noted that the appointment of an interim director general would enable the Enterprise carry out the functions listed under section 2 of the annex to the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 and continue the much-needed input on the development of the regulations on exploitation, on an ongoing basis, as well as represent the interests of the Enterprise at the annual sessions of the Authority.
- 11. The Council took note that the African Group will present a draft decision for the consideration of the Council at the third part of the twenty-seventh session of the Council.

# VI. Report of the Secretary-General on the status of national legislation relating to deep seabed mining and related matters

12. At its 281st meeting, the Council took note of the report of the Secretary-General on the status of national legislation relating to deep seabed mining and related matters (ISBA/27/C/26). The online database of the Authority currently contains information on or the text of relevant national legislation received from a total of 37 States.

# VII. Draft regulations on exploitation of mineral resources in the Area

- 13. A large portion of the second part of the session was devoted to advancing work on the draft regulations in an informal setting, in line with the road map endorsed by the Council in December 2021.
- 14. At its 286th meeting, the Council took note of the information contained in a document submitted by the delegation of Belgium on the Rules concerning the application of the 1994 Agreement relating to the Implementation of part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, annex, section 6, paragraph 1 (d) in the draft regulations on exploitation of mineral resources in the Area (ISBA/27/C/13) and requested the Legal and Technical Commission to use the information provided in the document, as appropriate, when it considers the matter of the implementation of paragraph 1 (d) of section 6 of the annex to the Agreement.

### A. Progress made in working groups

- 1. Fifth meeting of the Open-ended Working Group in Respect of the Development and Negotiation of the Financial Terms of a Contract under article 13, paragraph 1, of annex III to the United Nations Convention on the Law of the Sea and section 8 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982
  - 15. On 18 and 19 July 2022, the Open-ended Working Group in Respect of the Development and Negotiation of the Financial Terms of a Contract held its 5th meeting, under the chairmanship of Olav Myklebust (Norway), to further advance the work on the payment system for polymetallic nodules.
  - 16. At the 287th meeting of the Council, on 28 July, the Chair gave an oral report to the Council and stated that written submissions to the draft regulations relevant to the payment regime would be welcomed until 1 September 2022 (see annex).

# 2. Informal Working Group on the Protection and Preservation of the Marine Environment

- 17. The Informal Working Group on the Protection and Preservation of the Marine Environment held meetings on 21, 22 and 25 July 2022.
- 18. At the 287th meeting of the Council, the Facilitator, Raijeli L. Taga (Fiji) delivered her oral report to the Council and requested that textual proposals on draft regulations 44–55 be submitted by 1 September 2022 (see annex).

22-12632

#### 3. Informal Working Group on Inspection, Compliance and Enforcement

- 19. The informal working group on Inspection, Compliance and Enforcement held its meeting on 20 July 2022.
- 20. At the 287th meeting of the Council, the Facilitator, Maureen Tamuno (Nigeria) delivered her oral report to the Council and set a deadline of 1 September for receiving textual proposals with a view to producing a revised facilitator's text for the next meeting of the Council (see annex).

#### 4. Informal Working Group on Institutional Matters

- 21. The Informal Working Group on Institutional Matters held meetings on 26 and 27 July 2022.
- 22. At the 287th meeting of the Council, the Co-Facilitators, Gina Guillén-Grillo (Costa Rica) and Constanza Figueroa (Chile) delivered their oral report to the Council and set a deadline of 15 September 2022 for receiving textual proposals to produce a revised facilitator's text for the third part of the session (see annex).

# 5. Negotiations on the preamble, part III and part X of the draft regulations on exploitation of mineral resources in the Area

- 23. On 28 July 2022, the President of the Council suggested that, in line with paragraph 25 of the Statement by the President of the Council on the work of the Council during the first part of the twenty-seventh session (ISBA/27/C/21), the plenary should, in an informal setting, consider the other parts of the regulations not currently being reviewed by the established working groups.
- 24. In view of some suggestions to work with a document containing comments from all stakeholders, the President informed that he would work with the secretariat, intersessionally, to produce a negotiator's text for the third part of the twenty-seventh session of the Council.

### B. Intersessional work and review of progress

- 25. During the 287th meeting, the Council discussed a proposal requesting the secretariat to commission two studies on the internalization of environmental costs of exploitation activities in the Area into the production costs of minerals from the Area, proposed by Costa Rica and Germany.
- 26. A number of delegations highlighted the importance of this study, some delegations shared views on the need to streamline the draft decision and define the meaning of environmental cost, others opined on the need for the study to be reflective of extractive industries and the importance to ensure the involvement of the Legal and Technical Commission in the work, including in the preparation of the terms of reference for such a study. It was agreed that proponents would work with other delegations intersessionally to incorporate suggestions for the consideration of the Council at the third part of the twenty-seventh session.
- 27. At the same meeting, the delegation of Germany introduced a draft decision for the consideration of the Council on the development of binding environmental threshold values. A number of delegations agreed that this would need to be streamlined with the draft standards and guidelines currently being developed by the Legal and Technical Commission. It was agreed that the delegation of Germany would work intersessionally with other delegations to provide a revised proposal for the Council's consideration at the third part of the twenty-seventh session

28. It was agreed that further intersessional work would be needed to finetune the draft decision on the suggested process for the development of the thresholds.

#### Schedule for meetings at the third part of the twenty-seventh session

- 29. At the 288th meeting, the Council agreed to continue its work during the third part of the twenty-seventh session with the following schedule:
  - (a) Council would meet in plenary for two and half days;
  - (b) Open-ended Working Group would meet for two days;
- (c) Informal Working Group on the Protection and Preservation of the Marine Environment would meet for two and a half days;
- (d) Informal Working Group on Inspection, Compliance and Enforcement would meet for one day;
- (e) Informal Working Group for Institutional Matters would meet for two days.

## VIII. Report of the Secretary-General on the implementation of the decision of the Council in 2021 relating to the reports of the Chair of the Legal and Technical Commission

30. At its 281st meeting, the Council was invited to take note of the report of the Secretary-General on the implementation of the decision of the Council in 2021 relating to the reports of the Chair of the Legal and Technical Commission (ISBA/27/C/27). The Council welcomed the important work undertaken by the Secretariat in all aspects, especially in relation to activities of contractors; data management strategy of the Authority; and the collaboration with other bodies in the establishment of the Area 2030 initiative for the compilation of the bathymetric and other non-confidential data collected by contractors.

# IX. Report of the Secretary-General concerning the operationalization of the Economic Planning Commission

- 31. At its 288th meeting, the Council took note of the report on the operationalization of the Economic Planning Commission (ISBA/27/C/25).
- 32. The Council discussed the legal and policy basis for the Commission, suggested composition and immediate focus which would be to review the trends of and factors affecting the supply, demand and prices of minerals that may be derived from the Area, bearing in mind the interests of both importing and exporting countries, and in particular of the developing States among them.
- 33. The Council also took note of estimated costing associated with servicing a one-week meeting of the Commission at the early stage of its functioning. While most delegations agreed with the need to ensure the operationalization of the Commission before the approval of the first plan of work for exploitation, some delegations shared the view that further consideration would be required owing to the financial implications of its operationalization on the budget of the Authority. The Council agreed to continue to keep this matter on its agenda.

22-12632 5/13

# X. Report of the Chair of the Legal and Technical Commission on the work of the Commission

- 34. At its 285th meeting, the Council was presented with the report of the Chair of the Legal and Technical Commission to on the work and major achievements of the Commission.
- 35. The Council took note of the report and commended the hard work and achievements of the Commission during the present session and over the past six years. Several delegations welcomed the extensive work undertaken with respect to the implementation of training programmes provided by contractors. Some delegations expressed concern over the non-participation of some members of the Commission. The Council, based on the recommendations of the Commission, adopted a decision on the deferral of the schedule of relinquishment following a request by the Institut français de recherche pour l'exploitation de la mer (ISBA/27/C/39).
- 36. The Council noted that contractors had largely adhered to their programmes of activities, some had to make reductions or adjustments to their activities because of the coronavirus disease (COVID-19) pandemic and a minority of contractors were lagging on their work programme and as such, relied on work undertaken in other contract areas. In this respect, some delegations proposed that it would be beneficial for the Council to adopt guidelines for the Commission that outlined thresholds on the severity of a breach requiring a report to be made the Council.
- 37. The Council welcomed the work undertaken by the Commission in the development of a draft standardized procedure for the development, review and approval of Regional Environmental Management Plans and a draft Management Plan for the development Area of the northern Mid-Atlantic Ridge. It noted that the Commission would prepare, for the consideration of the Council, a draft procedure and criteria for consideration of a request for the transfer of rights and obligations under a contract for exploration alongside the Management Plan documents for the Council's consideration during the third part of its twenty-seventh session.
- 38. The Council noted the work undertaken by the Commission, as well as its review on the environmental impact statement submitted by Nauru Ocean Resources, Inc. and the basis of its decision not to recommend to the Secretary-General of the Authority for the statement to be included in the programme of activities of the Contractor.

# XI. Report of the Finance Committee

- 39. The Council considered this agenda item at its 282nd and 285th meetings. On 20 July 2022, at the 282nd meeting, the Chair of the Finance Committee presented the report of the Finance Committee on the work undertaken by the Committee and updates on budgetary and other financial matters (ISBA/27/A/8-ISBA/27/C/36).
- 40. The Council expressed its satisfaction with the overall quality of the report and welcomed the recommendations by the Committee on the budgetary and financial matters, as well as the proposed revisions to the terms of reference for the voluntary trust fund to support the participation of members of the Council from developing States.
- 41. Some delegations expressed concerns over the increases in the proposed budget and noted that this was largely owing to the increase in conference costs owing to additional meetings. Some delegations expressed the view that the costs be considered

as a one-time occurrence and requested that the budget be executed accordingly, and that the Committee keep under review the issue of increase in conference costs.

42. At its 286th meeting the Council adopted a decision on financial and budgetary matters (ISBA/27/C/40). The Council recommended to the Assembly to adopt the budget for the financial period 2023–2024 in the amount of \$22,256,000, as proposed by the Secretary-General and adjusted by the Finance Committee (document ISBA/27/A/3/Add.1/Rev.1-ISBA/27/C/22/Add.1/Rev.1).

## XII. Cooperation with other relevant international organizations

43. At its 289th meeting, on 29 July 2022, the Council considered a note by the Secretary-General on a memorandum of understanding between the International Seabed Authority and the African Union (ISBA/27/C/29). The note identified the basis for the proposed memorandum and highlighted that both organizations share common interest. At the same meeting, the Council approved the memorandum of understanding.

#### XIII. Dates of the next session

44. The third part of the twenty-seventh session of the Council will be held in Kingston from 31 October to 11 November 2022.

22-12632 7/13

#### Annex

### **Oral reports**

### I. Oral report delivered by the Chair of the Open-ended Working Group in Respect of the Development and Negotiation of the Financial Terms of a Contract, Olav Myklebust (Norway)

- 1. The Open-ended Working Group in Respect of the Development and Negotiation of the Financial Terms of a Contract held its fifth meeting on 18 and 19 July 2022. I have the honour to report on the outcome of the meeting.
- 2. In the afternoon of 18 July, the briefing note issued on 13 June 2022 was introduced. Recalling the discussions held in previous sessions, it was suggested that the Open-ended Working Group focus on the draft text prepared by the Chair for relevant draft regulations, appendix IV and standards and guidelines, and on particular issues related to the valuation of manganese in the nodules, as well as on the African Group's position paper on various aspects related to the payment options and rates.
- 3. A large number of participants presented various views on different issues related to the payment mechanism. Some presented positions on which option was preferable, while others maintained that all options should remain on the table. Several participants referred to the previous discussions on a study on environmental costs and stated that such a study should be conducted, as recommended to the Council by the Open-ended Working Group in March 2022. Some participants referred to a workshop hosted by Canada and the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development in July 2022 and suggested possible further collaboration between the Authority with the Forum.
- 4. On 19 July, the Open-ended Working Group held a first reading of the draft regulations relevant to the payment regime. Various suggestions and proposals were introduced, and written submissions will be welcomed until 1 September 2022, to further refine the draft text for discussion at the next meeting of the Open-ended Working Group in November 2022.
- 5. After the reading of the draft regulations and appendix IV, Richard Roth (Massachusetts Institute of Technology), gave a presentation on the use of the terms "wet metric tons" and "dry metric tons", followed by a presentation on the particular issues of manganese in relation to valuation, also stressing the need for transparency and applying an arms-length approach in relation to pricing.
- 6. South Africa, on behalf of the African Group, introduced the position paper of June 2022, which was submitted with note verbale EC/1 of 27 June 2022. The paper was welcomed by participants and its content will remain open for discussion in November 2022.
- 7. A briefing note will be provided before the meeting in November 2022.

### II. Oral report delivered by the Facilitator of the Informal Working Group on the Protection and Preservation of the Marine Environment, Raijeli Taga (Fiji)

8. The Informal Working Group on the Protection and Preservation of the Marine Environment held its meetings on 21, 22 and 25 July 2022, in line with the road map adopted by the Council at its twenty-sixth session.

8/13

- 9. During the meetings, the Informal Working Group commenced with a reading of the revised facilitator's text (ISBA/27/C/IWG/ENV/CRP.1/Rev.1), with a high degree of participation and strong support for the importance of setting the highest standard for the protection and preservation of the marine environment as reflected in article 145 of the United Nations Convention on the Law of the Sea. Many participants welcomed the amendments to the revised facilitator's text and there was consensus among participants to the improvements in the revision.
- 10. At the first meeting of the Informal Working Group, the delegation from Germany introduced the document of 10 June 2022 on normative environmental thresholds for deep-seabed mining (ISBA/27/C/30). It was proposed that the establishment of such thresholds would be based on the environmental obligations under the Convention on the Law of the Sea, as a starting point, focus would be given to pressure-related thresholds and they should be agreed as binding standards. Germany suggested an intersessional working group be established to advance this work. The proposal was welcomed by many delegations. Some requested more time to review the proposal, while others suggested including the role of the Legal and Technical Commission in the work related to the thresholds. Germany has drafted a Council decision on the way forward which would be discussed at the plenary meeting.
- 11. As to overarching structural remarks, several participants suggested that definitions and clarifications of newly introduced terms should be accommodated when the work on the draft regulation is further progressed, including the need to ensure consistency with other provisions in the draft regulations. There was general support among participants to include the draft regulation on Regional Environmental Management Plans and that such plans must be in place before there is consideration given to an application for a plan of work by the Commission. Consequently, several participants also expressed the view that the phrase "if any" should be deleted throughout the regulations when referring to Regional Environment Management Plans.
- 12. In general, there was a request to streamline the language and to merge several provisions, in particular those on the environmental impact assessment, the environmental impact statement, and the reporting requirements. Several participants commented on the level of detail in the draft regulations for the environmental impact assessment and environmental management and monitoring plan, noting that further details could be included in the standards and guidelines. Several suggestions were made to streamline the stakeholder consultation as part of the environmental impact assessment process.
- 13. There were continued discussions on test mining, including on the possibility of requiring test mining to be mandatory for an application for the approval of a plan of work for exploitation in the Area. Participants discussed the timing and other practical issues related to test mining and its environmental impact assessment requirements. There was broad support for the inclusion of a provision on test mining in the draft exploitation regulations. Some participants held the view that test mining provisions would be best located within the exploration regulations.
- 14. The proposed environmental compensation fund was discussed. Participants acknowledged the webinar held on 21 June 2022 on the proposed fund and expressed appreciation for the clarity that it provided. Discussions centred on the purpose of the fund. Several participants shared their views and offered to provide textual proposals to provide greater clarity on the purpose of the fund. Some participants supported the view that the contribution amount that should be made to the fund should be decided by the Council upon recommendation of the Finance Committee. It was suggested

22-12632 **9/13** 

that the interrelation between the environmental compensation fund, the sustainability fund and the environmental performance guarantee should be further clarified.

- 15. Different views were provided on further discussions on the draft standards and guidelines. It was suggested that a review of the draft standards and guidelines and the corresponding draft regulation provisions should be done together. Other delegations preferred revisiting the draft standards and guidelines at a later date, when the draft regulations were more stable. Regarding the approach to continue the discussions on standards and guidelines, the Facilitator would require further guidance on the matter once the working group had worked further on the Facilitator's text and draft annexes.
- 16. The Informal Working Group conducted a reading of draft regulations 44 to 55. It was suggested by the Facilitator to continue the reading of draft regulations 56 to 61 and the relevant annexes at the third part of the twenty-seventh session in October and November 2022.
- 17. The Facilitator requested that all comments and suggestions to draft regulations 44 to 55 be submitted by 1 September 2022.

### III. Oral report delivered by the Facilitator of the Informal Working Group on Inspection, Compliance and Enforcement, Maureen Tamuno (Nigeria)

- 18. The Informal Working Group on Inspection, Compliance and Enforcement held its second meeting on 20 July 2022. I have the honour to report on the outcome of the meeting.
- 19. In the morning of 20 July, the work of the Informal Working Group and the draft facilitator's text issued on 8 July 2022, was introduced. Recalling the discussions held in previous sessions, it was suggested that the Informal Working Group focus its work on the draft text prepared by the Chair for part XI of the draft regulations, including overall discussions on the appropriate inspection mechanism and related matters.
- 20. Participants provided their general comments on a wide range of important issues, including discussions on the creation of the institutional framework through which effective inspection, compliance and enforcement could be undertaken.
- 21. There was broad consensus among participants to establish an independent inspectorate to ensure effective monitoring of compliance and to revise the proposed framework accordingly. In that context, some participants outlined options for developing a compliance committee as a subsidiary body to the Council and supported by the Secretariat. There was interest in exploring this further and how such a committee should be established. Some delegations expressed interest in working intersessionally to study the establishment of a compliance committee further and conduct a comparative analysis of relevant existing inspection regimes.
- 22. Thereafter, the Informal Working Group commenced its specific reading of the revised text from the Facilitator in relation to part XI of the draft regulations.
- 23. During the morning session, participants expressed their views on draft regulations 96 to 98. In relation to these draft regulations, there was support for introducing a Code of Conduct for inspectors and there were discussions of where such code should be introduced. Furthermore, there was also broad support for introducing a roster of inspectors. It was suggested that regulation of the process of nomination, selection etc. for the roster would be better placed in a subsidiary instrument such as in the standards and guidelines.

- 24. In the afternoon session, draft regulations 99 to 105 were discussed. Among other issues, there were discussions on how the severity of penalties to be imposed could be introduced in a phased manner. Monitoring was discussed and it was also suggested that terminology be harmonized and aligned with other parts of the Convention to ensure uniformity in language.
- 25. To advance the work on the draft regulations, the Facilitator will collate the written textual proposals from delegations, with a view to producing a revised text for the November meeting. Delegates have been requested to provide their comments not later than 1 September 2022 in order for the Facilitator to be able to prepare a revised draft text.

# IV. Oral report delivered by the Co-Facilitators of the Informal Working Group on Institutional Matters, Constanza Figueroa (Chile) and Gina Guillén-Grillo (Costa Rica)

[Original: Spanish]

- 26. After once more expressing our gratitude for the trust placed in us, as Co-Facilitators of this Informal Working Group on Institutional Matters, we have the honour to report to the Council on the work done during the second part of the twenty-seventh session of the Council.
- 27. At the meeting of its resumed twenty-sixth session, held in December 2021, the Council agreed on a road map for work on the draft regulations in 2022 (ISBA/26/C/13/Add.1, annex), including the work of the informal working groups.
- 28. As you will recall, the secretariat kindly circulated a briefing paper with a proposed draft, dated 5 July 2022 (ISBA/27/C/IWG/IM/CRP.1), prepared by the Co-Facilitators, containing an examination of the proposals made by delegations regarding regulations 1 to 5 of parts I and II of the draft regulations on the exploitation of mineral resources in the Area (ISBA/25/C/WP.1), along with the comments made by the various delegations during the first working session of the Informal Working Group on Institutional Matters, which took place during the first part of the twenty-seventh session of the Council, in March 2022.
- 29. In addition to the document indicated, other relevant documents on the subject were made available, such as (a) a simplified compilation containing the proposals presented by each delegation; (b) a document containing a mapping that breaks down each of the mandates stipulated in the United Nations Convention on the Law of the Sea, the 1994 Agreement and other agreements already in force, for the various International Seabed Authority organs, to give delegations ready access to information on the areas of competence and obligations of each of these bodies. The document serves as a useful tool for negotiations and indicates the source of the responsibility and to which organ the mandate applies. The Co-Facilitators showed that this mapping can be improved; it has been designed to solicit contributions from other delegations on the definition of the responsibilities granted by the regulations on exploitation to each organ. It was pointed out that, in due course, the mapping should include if the Council so provides in the future other subsidiary organs of the Council, such as a compliance committee and an environmental advisory committee.
- 30. In accordance with the Council's programme of work, the Informal Working Group on Institutional Matters met on the afternoon of 26 July and in the morning and afternoon of 27 July to discuss the proposed text, which contained a compilation of the 39 proposals submitted by 13 delegations using the template.

22-12632

#### The working methods of the Informal Working Group and its development

- 31. On the afternoon of 26 July, the Co-Facilitators began the review, paragraph by paragraph, of proposed draft regulations 1 to 5 of parts I and II of the draft regulations on exploitation, projecting the text of the document (ISBA/27/C/IWG/ IM/CRP.1) onto a screen, which made it possible to display the specific proposals formulated by the different delegations. The delegations expressed appreciation for the mechanism as a tool for effective progress.
- 32. During the discussion on regulation 1, "use of terms and scope", delegations focused on:
- (a) The references to the application of "relevant international agreements" many delegations preferred its removal, owing to the legal uncertainty that might ensue because the paragraph does not specify which ones are relevant;
- (b) The uniformity of the concept of "rules of the Authority" certain delegations indicated that the term might be construed broadly to include standards and guidelines;
- (c) The consistency between the exploration regulations and the exploitation regulations, particularly with regard to the way in which the concepts are used;
  - (d) The primacy of other international rules over the regulation;
  - (e) The uniform and non-discriminatory implementation of its rules.
- 33. With regard to regulation 1, progress was made with the tabling of proposals that received significant support, although the proposals remain subject to examination by delegations and other proposals using the template might still be made in specific areas.
- 34. During the discussions on regulation 2, "fundamental policies and principles", delegations wondered whether a specific list of principles and policies guiding the implementation of the regulations should be included, or whether a more general reference should be made to them in the text. One delegation made a proposal to simplify the text of the regulation by strictly linking it to the principles and policies established in the Convention. Several delegations expressed their interest and requested more time to consult with their capitals before making any comments. Other delegations agreed on simplifying the text and only listing the principles that are not included in the Convention, such as the principles of transparency, accountability and stakeholder participation. One starting point that could be complemented was a proposal by a delegation that could allow for regulation 2 to be slightly shortened. The Co-Facilitators are awaiting comments from delegations on those proposals to be included in the text.
- 35. Regarding the discussions of regulation 3, "duty to cooperate and exchange of information", delegations reiterated the need to remove the term "best endeavours" for the duty to cooperate of contractors and members of the Authority and to include the Enterprise and other actors such as applicants in that mandate. Delegations also requested the inclusion of the duty to "guarantee" the implementation of information and public participation processes. Some delegations expressed the need to clarify the role of such obligations for sponsoring States and the possible implementation of processes for that purpose. Delegations also had a rich discussion of the use of the terms "adjacent" and "relevant", in reference to coastal States. There was consensus on the need for more time and for further discussion, so that delegations could work on an agreed understanding of these concepts, considering the potential damage to coastal States, close to the area of activities or under a relevant condition over those activities.

#### Incidents during the session

- 36. The session of the Informal Working Group on Institutional Matters, which was scheduled to begin at 3 p.m. on 26 July, had to be delayed owing to the discussions of the mechanism for the election of members of the Legal and Technical Commission, which lasted until 4.30 p.m., delaying the work that could be carried out.
- 37. On 27 July, the session of the Informal Working Group on Institutional Matters had to be delayed by one hour and began at 11 a.m., owing to technical problems that prevented the interpreters from carrying out their work, causing problems for parts of the debate.

#### Recognition of outstanding work

38. During the opening of the working session on 27 July, the Co-Facilitators paid a brief tribute to Myriam Sibuet, a French scientist who dedicated her life to knowledge of the deep sea.

#### **Conclusions**

- 39. Despite the difficulties in carrying out its work on time, thanks to the participation and valuable contributions of all delegations, the Working Group was able to hold an active discussion that will allow it to continue working with a view to its session scheduled for the end of October and the beginning of November 2022.
- 40. Progress was made on less generic texts for regulations 1, 2 and 3.
- 41. The Co-Facilitators pledged to hold a webinar on effective control, which will guide the drafting of several of the regulations.
- 42. It was agreed that texts proposed by delegations will be sent to the secretariat by 15 September, to be used as inputs for a revised facilitator's text that will be prepared for discussion at the next session.
- 43. The Co-Facilitators appreciate the participation of all delegations, but above all, the valuable collaboration of the secretariat, both prior to and during the sessions of the Working Group. We would like to thank in particular Gwenaelle, Gina, Lea and Yongsheng, as well as the interpreters, who make this discussion possible.

22-12632