



## Secretary-General Michael Lodge Statement

At

Workshop on the draft regulations for the exploitation of mineral resources in the Area: policy, legal and institutional considerations

London, 12-13 February 2018

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I wish to thank the Foreign and Commonwealth Office for convening this workshop and the Royal Society for hosting us.

I think it is appropriate to begin by reminding ourselves of where we are starting from and where we are going.

Fifty years ago, the international community took a decision to set aside the resources of the seabed beyond national jurisdiction as the common heritage of mankind and to place its administration in the hands of an international organization to be created for that specific purpose.

That decision was motivated by the discovery of high grade mineral resources on the seabed and concerns that exploitation of these resources would be monopolized by a few technologically advanced countries without due regard to the interests of mankind as a whole.

The alternative would have been that access to those mineral resources would have been on a first-come, first-served basis, without international management. There would be a serious risk of conflict between rival claimants. The financial and economic benefits from these riches would end up in the pockets of the few, and no single organization would have regulatory oversight.

At a time when some appear to want to enter into an existential debate about whether deep sea mining should be permitted to go ahead or not, we do well to remember that the international community passed that point already many years ago.

Part XI of the UN Convention on the Law of the Sea establishes a carefully balanced and comprehensive legal regime that not only safeguards the rights and interests of all mankind,

but also pays particular attention to the protection of the marine environment from harmful impacts. Rather than seabed mineral resources being open to all, without restriction, access is permitted only under a contract with the International Seabed Authority, under strict conditions and subject to the supervision of the Council. In this way, the Convention guarantees the rights of seabed miners, whether States, state enterprises or private entities sponsored by States, whilst protecting the interests of the entire international community.

As a result of this stable and secure legal regime, we have seen almost forty years of steadily increasing investment in exploration of the deep seabed. Exploration – which produces no financial return – consists primarily of identifying mineral resources and conducting environmental studies. The contribution of this preparatory work to our understanding of deep sea ecosystems and mineral resources has been immense.

Thanks to these preparatory investments, coupled with tremendous advances in offshore technology, we are now at the stage where we can see that deep sea minerals can provide a stable and secure supply of critical minerals to benefit mankind in the future. As well as having the potential to provide a low cost, environmentally sound, supply of the minerals needed to drive the smart economy, they could also contribute to the Blue Economy of several developing States.

Thanks to the Convention, the financial and economic benefits of this new industry have to be shared for the benefit of mankind as a whole – something that has not been achieved in any other sector.

Our task now is to operationalize the basic rules set out in the Convention, particularly in Annex III, not to overwrite them or to alter the delicate balance between rights and interests that is contained in Part XI of the Convention. We also need to bear in mind that regulations are primarily intended to govern the relationship between the Authority and contractors and to establish the terms of contracts, not to create new legal obligations on States Parties.

I want to make just three points about the discussions today and tomorrow.

First, this workshop comes hard on the heels of a wide-ranging stakeholder consultation process. I want to take the opportunity to thank all those who contributed to that process. I have read all the submissions, which I think were enormously constructive and well-considered. All the responses have been carefully reviewed and we in the secretariat have done our best to identify the common themes running through them as food for thought during this workshop. I also want to acknowledge the separate contribution by Pew Environment Group and its Code Project, which once again demonstrates the value of constructive contributions to the debate by civil society.

I would suggest that we focus our discussions at this workshop on the themes identified in the discussion document provided by the secretariat. These are the areas where it is clear that different interests see issues through different lenses. If we are going to make progress in

formal negotiations, it is important that we begin to clarify any misunderstandings and understand one another's positions.

Of course, it is not possible for everyone to be represented in a workshop such as this, but I believe nobody can say we have been anything less than fully transparent in our approach to the draft regulations.

Second, I want to repeat a point I have made before about the need to take a rational and incremental approach to regulation. There may be many questions and doubts about the long-term consequences of deep sea mining, but this industry is not going to happen overnight. Contractors will advance their activities according to different timescales and we need to consider what is practical and feasible in terms of the anticipated scale and magnitude of actual mining operations. Whilst we may see multiple mining operations decades from now, it is likely that we will start with only one or two operations. I would like to emphasize once again the importance of contractors helping all of us to understand the likely magnitude and scale of different mining scenarios as well as telling us what is realistically achievable in practice and commercially as far as monitoring is concerned.

The key point is that we are not going to see this industry suddenly open up overnight. Our focus should be on establishing a sound structural framework, specifying the respective rights and duties of contractors and the financial terms of contracts, that will allow investments to be made to proceed to the next phase of development. It is unrealistic and naïve to expect that all the detailed standards and guidelines can be put in place at the same time. We do, however, need to understand and agree on the process by which these standards and guidelines will be developed.

Third, I want to take this opportunity to draw your attention to the proposals I will be making to the Council next month to address the issue of regional environmental management plans, which are called for as part of the Authority's overall policy framework for environmental management. These proposals, which are available on the website, include a series of multi-stakeholder workshops to develop regional environmental management plans, including the identification of areas of particular environmental interest, in areas currently subject to exploration activity.

I know that both the Council and the General Assembly of the United Nations have been calling for action on this matter for several years and that is why I have made this one of the priority issues to be addressed in 2018 and beyond. This is an area where the participation of the scientific community will be particularly important, and I look forward to the active engagement and commitment of all stakeholders in this activity.