ISA contract regimes for deep-sea mining

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Introduction

Contract for approve plans of work

Legal Framework

*UNCLOS-Article 8*; Define purpose and geographical area for mining

Technical Framework [*Interpretation by ISA of UNCLOS*]

ISBA/19/C/17 [amendments; 22 July 2013]
ISBA/16/A/12/Rev.1[15 November 2010]
ISBA/18/A/11[22 October 2012]

Outcomes:

Regulation for Implementation
Spatial boundaries/legal bindings

**Legal and Technical Commission**
30 Members

**Financial Committee**
15 Members

**Council**
36 Members

**Assembly:** 165 Members States

**Economic Planning Commission**

**Group A:** Consumer (4)
**Group B:** Investor (4)
**Group C:** Exporters (4)
**Group D:** Undev.- special interest (6)
**Group E:** Geographical equity (18)

**Secretariat (ISA)**

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**Article 160** – Supreme organ of the Authority with the power to establish general policies on any question or matter within the competence of the Authority

**Articles 163 and 165, 1994 Agreement (Section 9)** – Composed of 15 members, currently enlarged to 30.

**1994 Agreement (Section 9)** – Composed of 15 members, which must include 5 largest contributors for as long as Authority relies on assessed contributions.

**Articles 163 and 164, 1994 Agreement (Section 1)** Not currently operational. Functions carried out by Legal and Technical Commission
ISA: Structure & functioning

International Seabed Authority timeline

First Contract signed for PMN in CCFZ

Regulations on Prospecting and Exploration for PMN in the Area

2000

First Contract signed for PMS

Regulations on Prospecting and Exploration for PMS in the Area

2010

First Contract signed for CRC

Regulations on Prospecting and Exploration for CRC in the Area

2011

2012

2014

International Seabed Authority Database and Management Strategy released

2019
Article 8: Reservation of Areas

1. All, except for reserved areas and Enterprise; area requested for mining activities shall cover a sufficiently large area, not be a single one, to allow 2 mining site operations.

2. The applicant should indicate 2 commercially equal areas to ISA; within 45 days ISA designates which becomes a reserve area solely for the conduct of activities by the Authority/Enterprise/association with developing states.

UNCLOS-Annex III: Art 8; Thereafter Designated the Parallel Regime.

ISBA/19/C/17 [22 July 2013]

Council decided to amend Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area and related matters.

Regulation 25: Total area covered by the application

1. Total area not to exceed 75,000 km²
2. After 3 years, should relinquish 20%* [15,000 km²]
3. After 5 years, should relinquish 10% [7,500 km²]
3. After 8 years, should relinquish 20% [15,000 km²]

*Percentage of the area allocated to exploration
PMN

Developed MS

- 75,000 km²
- 60,000 km²
- 52,500 km²
- 37,500 km²

Relinquishment Regime

Extension Cycles [3 x 5 max]

10,000 - 30,000 km²

Developing MS

- 75,000 km²
- 60,000 km²
- 52,500 km²
- 37,500 km²

Relinquishment Regime

Extension Cycles [3 x 5 max]

10,000 - 30,000 km²

Reserved Area
PMN: Approved Plans of Work
Article 8: Reservation of Areas

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UNCLOS-Annex III: Art 8; Thereafter Designated the Parallel Regime

ISBA/16/A/12/Rev.1[15 Nov 2010]

Assembly adopted Regulations on Prospecting and Exploration for Polymetallic sulphide in the Area.

Regulation 17: Data and information to be submitted before the designation of a reserve area

Regulation 19: Equity Interest in a joint venture arrangement; into effect when exploitation takes place. Outcome: no reserved area for developing countries

Regulation 12: Total area covered by the application

1. Blocks [10 x 10km], not to exceed 100 blocks [10,000 km²]

Regulation 27: Size of area and relinquishment

1. After 8 years, should relinquish at least 50% [5,000 km²]
2. After 10 years, should relinquish at least 25% [2,500 km²]
PMS: Approved Plans of Work
Indian Ocean
mid-oceanic ridge

PMS: Approved Plans of Work
North Atlantic Ocean
mid-oceanic ridge
**Article 8: Reservation of Areas**

1. All, except for reserved areas and Enterprise; area requested for mining activities shall cover a sufficiently large area, not be a single one, to allow 2 mining site operations.

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**UNCLOS-Annex III:Art 8; Thereafter Designated the Parallel Regime**

**Regulation 17:** Data and information to be submitted before the designation of a reserve area

**Regulation 19:** Equity Interest in a joint venture arrangement; into effect when exploitation takes place

**Regulation 12:** Total area covered by the application

1. Blocks [20 km^2], not to exceed 150 blocks [3,000 km^2]; extended within 550 x 550 km

**Regulation 27:** Size of area and relinquishment [not need to be contiguous, sub-blocks]

1. After 8 years, should relinquish at least 30% [900 km^2]
2. After 10 years, should relinquish at least 30% [900 km^2]
Cobalt-rich Ferromanganese Crust

Developed MS

Relinquishment Regime

3,000 km$^2$

900 km$^2$

900 km$^2$

Extension Cycles [3 x 5 max]

1,200 km$^2$

Exploration

15 y

Exploitation

? y

Developing MS

Relinquishment Regime

3,000 km$^2$

900 km$^2$

900 km$^2$

Extension Cycles [3 x 5 max]

1,200 km$^2$

Reserved Area
CRC: Approved Plans of Work
NW-Pacific

CRC: Approved Plan of Work
South Atlantic Ocean
Case study: Mining Plan for PMN, CCZ [Blue mining EU]

Production key figures for planning the mining of manganese nodules.

Mineral Resource Classification: potential reserve. No CRIRSCO Report
Concluding Remarks

1. Article 8 of UNCLOS define terms (regimes) of contract implementation for approval plan of works.

2. There are 2 regimes for APW: parallel regime - Reserved Areas and equity join venture - no reserved areas.

3. ISBA/19/C/17 [amendments; 22 July 2013]; SBA/16/A/12/Rev.1[15 November 2010]; SBA/18/A/11[22 October 2012] Defined geographical areas as well as legal binding of any APW for any of the Ores

4. The above rules-regulations provide the an interpretation of UNCLOS;, that set boundaries for mining fields, mining site, mining plans.

5. The above rules and regulations, set the limits - geographical- that need to be accounted for on the definition of ABMT dealing with EMP that has to provide guidelines to the future mining code.

6. Mining Industry profits by depleting mineral assets, the knowledge of which is imperfect prior to the commencement of extraction. It is therefore essential that the industry communicates the risks associated with investment effectively and transparently in order to earn the level of trust necessary to justify its activities.