United Nations Office BILLEWIT SINGH 404 East 66th Street The World Conservation RECEIVED NOV 2 4 1993 Aut 12C 23 Novender 1493 New York, NY 10021 ILS A 101.: (++1-212) 734 76 08 (New texts are in bold letter Distr. GENERAL A/RES/48/L ... 15 November 1993 Forty-eighth session Agenda item 36 DR T RESOLUTION of the Sea

The General Assembly,

<u>Recalling</u> its previous resolutions, including resolution 47/65 of 11 December 1992, on the law of the sea,

<u>Recognizing</u> that, as stated if the third preambular paragraph of the United Nations Convention on the Lev of the Sea, 1/ the problems of ocean space are closely interrelated and need to be considered as a whole,

<u>Convinced</u> that it is important to safeguard the unified character of the Convention and related resolutions adopted therewith and to apply them in a manner consistent with that character and with their object and purpose,

<u>Emphasizing</u> the need for States to ensure consistent application of the Convention, as well as the need for <u>Parmonization of national legislation</u> with the provisions of the Convention,

<u>Considering</u> that, in its resolution 2749 (XXV) of 17 December 1970, it proclaimed that the seabed and occur floor, and the subsoil thereof, beyond the limits of national jurisdiction (hereinafter referred to as "the Area") as well as the resources of the Area, are the common heritage of mankind,

Recalling that the Convention provides the régime to be applied to the Area and its resources,

<u>Recalling with satisfaction</u> we expressions of willingness to explore all possibilities of addressing sque of concern to some States in order to secure universal participation in the Convention, 2/

Taking note of the deposit of the sixtisth instrument of ratification of, or accession to, the Convention at that as a consequence the Convention shall enter into force 12 months after the date of deposit of said instrument of ratification;

^{1/} Official Records of the raind United Nations Conference on the Law of the Sea, vol. XVII (Unite Nations publication, Sales No. E.84.V.3), document A/CONF.62/122.

^{2/} A/44/650 and Corr., parts. 156 and 158.

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<u>Recognizing</u> the need for coordination in the early and effective implementation by the Preparatory commission of resolution II of the Third United Nations Conference on the two of the Sea, 3/

Noting with satisfactic, the progress made in the Preparatory Commission since its inception, including the pregistration of six pioneer investors 4/ and the designation by the Prepar pry Commission of reserved areas for the International Seabed Authority for the application areas submitted by the pioneer investors pursuant to resolution II, bearing in mind that such registration entails both rights of obligations for pioneer investors,

Noting the increasing news countries, especially developing countries, for information, dvio and assistance in the implementation of the Convention and in their developmental process for the full realization of the benefits of the comprehensive legal regime established by the Convention,

<u>Concerned</u> that the developing countries are as yet unable to take effective measures for the full relization of these benefits owing to the lack of resources and of the necessary scientific and technological capabilities,

<u>Recognizing</u> the need to enhance and supplement the efforts of States and competent international organizations aimed at enabling developing countries to acquire such capabilities,

<u>Recognizing also</u> that the Compution encompasses all uses and resources of the sea and that all related ad within the United Nations system, need to be implemented in a moment consistent with it,

<u>Mindful</u> of the importance of the Convention for the protection of the marine environment,

Noting with concern the se of fishing methods and practices, including those aimed at evading regulations and controls, which can have an adverse impact on the conservation an man event of living marine resources,

<u>Considering</u> the need for effective and balanced conservation and management of living marine resources, giving full effect to the relevant provisions in the Convention,

<u>Taking note</u> of activities carried out in 1993 under programme 10 (Iaw of the sea and ocean affairs) in the indium-term plan for the period 1992-1997, as revised, 5/ taking into account the restructuring of the Secretariat of the Organization; 6/ and of the report of the Secretary-General, prepared pursuant to paragraph 21 of General Assembly resolution 47/65, 7/

3/ Official Records of the Tord United Nations Conference on the Law of the Sea, vol. XVII (United Nations publication, Sales No. E.84.V.3), document A/CONF.62/121, annex I.

4/ See A/46/724, paras. 146-51.
5/ A/47/6/Rev.1.
6/ A/46/882.
7/ A/48/....

1. <u>Recalls</u> the historic significance of the United Nations Convention on the Law of the Sea, as an important contribution to the maintenance of peace, justice and progress for all peoples of the world;

2. <u>Expresses</u> its satisfaction that the sixtleth instrument of ratification of, or accession to, the Convention has been deposited, and that as a consequence the Convention stall after into force 12 months after the date of the deposit of said instrument of ratification;

3. <u>Invites all states to make renewed efforts to facilitate universal</u> participation in the Convention;

4. Notes with appreciation the see developments and the increasing participation of States in the computations under the suspices of the Secretary-General aimed at pointing dialogue and at addressing issues of concern to some States in order trachieve universal participation in the Convention; $\underline{8}/$

5. <u>Recognizes</u> that political an economic changes, including particularly a growing reliance on market princises, underscore the need to re-evaluate, in the light of the issues of concernito some States, <u>9</u>/ matters in the regime to be applied to the Area and its resources, and that a productive dialogue on such issues involving all interested parties would facilitate the prospect of universal participation in the Compention, for the benefit of mankind as a

6. <u>Calls upon all states that have not done so to consider ratifying or</u> acceding to the Convention at the tearliest possible date and calls upon all States to take appropriate steps a promote universal participation in the Convention, including through dialogue aimed at addressing the issues of concern to some States;

7. <u>Calls upon</u> all States to safe ward the unified character of the Convention and related resolution adopted therewith and to apply them in a manner consistent with that character and with their object and purpose;

8. <u>Also calls upon States to observe the provisions of the Convention when</u> enacting their national legislation;

9. Notes the progress made by the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea in all areas of its work, including the completion of its draft provisional final report at its enventh session;

See A/48/..., paras.
 <u>9/ Ibid.</u>

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10. <u>Recalls</u> the Understanding on the Fulfilment of Obligations by the Registered Pioneer Investors and their Certifying States adopted by the Preparatory Commission on 30 Augus 1990, <u>10</u>/ as well as the understandings adopted on 12 March 1992, <u>11</u> and 28 August 1992; <u>12</u>/

11. Expresses its appreciation to the Secretary-General for his efforts in support of the Convention and for the effective execution of programme 10 (Law of the sea and ocean affairs in the medium-term plan for the period 1992-1997, and requests him, in the execution of programme 10, to continue to provide an effective response to the increased needs of States for assistance in the implementation of the Convertion;

12. <u>Also expresses its appriciation</u> to the Secretary-General for the report prepared pursuant to paragraph 21 if General Assembly resolution 47/65 and requests him to carry out the actualties outlined therein, as well as those aimed at the strengthening of the legal regime of the sea;

13. <u>Calls upon</u> the Secretar - Consul to continue to assist States in the implemention of the Convention and in the development of a consistent and uniform approach to the legal regime thereunder, as well as in their national, subregional and regional efforts towards the full realization of the benefits therefrom, and invites the organs of organizations of the United Nations system to cooperate and enhance as istance in these endeavours;

14. <u>Urges</u> interested Member State: in particular States with advanced marine capabilities, to review relevant pricies and programmes in the context of the integration of the marine sector is national development strategies, and to explore prospects for intensifying cooperation with developing countries, including those of regions active in this field;

15. <u>Requests</u> the competent international organizations, the United Nations Development Programme, the World Back and other multilateral funding agencies, in accordance with their respective policies, to intensify financial, technological, organizational and unagerial assistance to the developing countries in their efforts to real to the benefits of the comprehensive legal regime established by the Convention and to strengthen cooperation among themselves and with donor States in the provision of such assistance;

16. <u>Also requests</u> the Secretary-Greenal to keep under review, in cooperation with States and the competent international organizations, the measures being undertaken and any necessary collo up action, in order to facilitate the realization by States of the energy of the comprehensive legal regime established by the Convention and so report thereon periodically to the General Assembly;

<u>10</u>/ LOS/PCN/L.87, Annex <u>11</u>/ LOS/PCN/L.102, Anne <u>12</u>/ LOS/PCN/L.108, Anne 17. <u>Recognizes</u> that the protection of the marine environment will be significantly enhanced by the implementation of applicable provisions of the Convention;

18. <u>Reiterates its call</u> to States and other members of the international community to strengthen their coordination and to take measures with a view to giving full effect to the provision in the Convention on the conservation and management of living marine resources, including the prevention of fishing methods and practices which can have an adverse impact on the conservation and management of living marine resources and, in particular, to comply with bilateral and regional measures applicable to them aimed at effective monitoring and enforcement;

19. <u>Requests</u> the Secretary-General to provide for the convening of the informal consultations on outstanding issues relating to the deep seabed mining provisions of the Convention for a total duration of four weeks; the first session of which will take price from 31 January to 4 February 1994;

20. <u>Requests</u> the Secretary-Grana to provide for the convening of the twelfth regular session of the Presenatory Commission in Kingston from 7 to 18 February 1994, during which arrangements will be made for meetings of the Training Panel, and if necessary provide for a two-week meeting in the summer in New York;

21. <u>Further requests</u> the Secretary General to convert a meeting of the Group of Technical Experts to review the tate of deep seabed mining and to make an assessment of the time when connerce 1 production may be expected to commence in accordance with the decision addreed by the Preparatory Commission; <u>13</u>/ and to finance this meeting from the special account established for the Preparatory Commission from the registered pioneer investors;

22. Also requests the Sourcetary General to make arrangements for the first meeting of the Assembly of the Authority as specified in the Convention;

23. <u>Requests</u> the Secretary-General to report to the General Assembly at its forty-ninth session on develop ents martaining to the Convention and all related activities and on the implementation of the present resolution;

24. Decides to include in the provisional agenda of its forty-ninth session the item entitled "Law of the ea".

13/ LOS/PON/L.87, Annex, para 12.

RESOLUTION OF MEMBER STATES OF THE UNITED NATIONS

The States members of the United Nations

<u>Recognizing</u> the historic significance of the United Nations Convention on the Law of the Sea (hereafter referred to as the Convention) as an important contribution to the maintenance of peace, justice and progress for all peoples of the world;

<u>Reaffirming</u> the principle of common heritage of mankind contained in the Convention;

Noting that some aspects of the deep seabed mining provisions have prevented the attainment of the universality of the Convention;

<u>Noting further</u> that the prospects of commercial exploitation of deep seabed mineral resources have receded into the next century;

Bearing in mind that political and economic changes, including particularly a growing reliance on market principles that have taken place since the adoption of the Convention, have directly or indirectly affected the applicability of Part XI and Annexes III and IV of the Convention;

<u>Considering</u> that the role of the Convention as a comprehensive constitution for the ocean may be best achieved by the conclusion of an Agreement relating to Part XI and Annexes III and IV of the Convention;

To this end desiring to embody the results of the consultations and negotiations organized by the Secretary-General of the United Nations in order to promote the universal acceptance of the Convention in accordance with the mandate given by the General Assembly of the United Nations;

Have expressed their consent by the present resolution, to adopt the Agreement contained in the Annex attached to the present Resolution.

NON-PAPER

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AGREEMENT ON THE IMPLEMENTATION OF PART XI AND ANNEXES III AND IV OF THE UNITED NATIONS CONVENTION ON THE LAW OF THE

SEA

AGREEMENT ON THE IMPLEMENTATION OF PART XI AND ANNEXES III AND IV OF THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA.

THE STATES AND ENTITIES PARTIES TO THIS AGREEMENT

HAVE AGREED AS FOLLOWS :

A. INSTITUTIONAL PROVISIONS

Article 1

Establishment of the Authority

1. The establishment and the operation of the Authority and its organs shall be based on an evolutionary approach and on cost-effectiveness, taking into account the functional needs of these organs in order to discharge effectively their responsibilities at each stage.

2. In order to give time for States and entitities entitled to become parties of the United Nations Convention on the law of the sea (hereafter referred to as the Convention), to be bound by the Convention and this Agreement, such States and entities may, upon notification given to the depositary of the Convention, become members of the Authority. Such membership will not exceed 5 years after the date of entry into force of the Convention.

Article 2

Organs of the Authority

§ 2 of Article 158 of the Convention will be read as follows:

When commercial production of deep seabed minerals becomes feasible, the Enterprise may be established by the Assembly upon the proposal of the Council.

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The Assembly

Article 160 of the Convention will be applied with the following provision :

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If the Assembly wants to disagree with a decision of the Council, it shall send its recommendations back to the Council and the Council shall reconsider the matter in the light of the recommendations made by the Assembly.

Article 4

The Council : Composition, procedure and voting

1. Article 161 § 1 of the Convention will be read as follows :

- a) The Composition of the Council shall reflect the major categories of interests and these categories shall be treated as chambers for the purposes of decision-making. The following categories shall be considered as chambers for this purpose :
 - (i) four members from among those States Parties which, during the last five years for which statistics are available, have either consumed more than 2 per cent of the value of total world consumption or have had net imports of more than 2 per cent of the value of total world imports of the commodities produced from the categories of minerals to be derived from the deep seabed, and in any case one State from the Eastern European region, as well as the largest consumer;
 - (ii) four members from among the States Parties which were certifying States for pioneer investors or are sponsoring States for operators whose plans of work have been approved, including at least one State from the Eastern European region;
 - (iii) four members from among States Parties which on the basis of production in areas under their jurisdiction are major net exporters of the

categories of minerals to be derived from the deep seabed, including at least two developing States whose exports of such minerals have a substantial bearing upon their economies;

- (iv) six members from among developing States Parties, representing special interests. The special interests to be represented shall include those of States with large populations, States which are landlocked or geographically disadvantaged, States which are major importers of the categories of minerals to be derived from the deep seabed, States which are potential producers of such minerals, and least developed States;
- (v) eighteen members elected according to the principle of ensuring an equitable geographical distribution of seats in the Council as a whole, provided that each geographical region shall have at least one member elected under this provision. For this purpose, the geographical regions shall be Africa, Asia, Eastern European, Latin America, and Western European and Others.
- b) A member fulfilling the criteria of more than one category shall have the possibility of being listed in the relevant categories. However, that State Party can only be nominated by the States Parties belonging to one category and can represent only that category in the Council.
- c) The members of the Council shall be elected by the Assembly. Members representing categories shall be nominated respectively by States falling within these categories. A list of such states shall be prepared by the Assembly prior to each election.

2. Article 161 § 4 of the Convention will be read as follows :

There shall be rotation among the members of the Council. The question of rotation shall be decided by the members entitled to be represented in the relevant chamber of the Council.

3. Article 161 § 8 b) and c) of the Convention will be read as follows :

- a) Decisions on questions of substance shall be taken by a two-thirds majority of members present and voting, provided that such decisions are not coposed by a majority in any one of the chambers referred to in Article 4, paragraph 1. (a).
- b) Decisions within each chamber on matters of substance shall be taken by a simple major by.

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- A group of States members of the same chamber shall have the right to table a motion which would have the effect of postponing for 6 months a decision and starting a process of negotiation if a major interest of such a group of States seemed threatened.
- d) A special procedure for the approval of a plan of work shall apply, as follows :
 - (i) The Council shall approve a recommendation by the Legal and Technical Commission for approval of a plan of work unless by a two-thirds majority of its members present and voting, including a majority of members present and voting in each of the chambers of the Council, the Council decides to disapprove a plan of work. If the Council does not take a decision on a recommendation for approval of a plan of work within 60 days, the recommendation shall be deemed to have been approved by the Council at the end of that period. If the Commission recommends the disapproval of a plan of work or does not make a recommendation, the Council may nevertheless approve the plan of work in accordance with its normal rules of procedure on matters of substance.
 - (ii) Where a dispute arises relating to the disapproval of a plan of work, such dispute shall be submitted to the dispute settlement mechanism contained in the Convention.

The Secretariat

Article 167 of the Convention shall be applied with the following provision :

The staff of the Secretariat may be drawn initially from staff members of the Secretariat of the United Nations.

C)

Organs of the Council

Article 163.1. of the Convention will be read as follows :

There shall be established upon decision of the Council a legal and technical Commission as an organ of the Council.

Article 7

Finance Committee

Upon the establishment of the Authority, a Finance Committee shall be established in accordance with the provisions contained in Appendix 1 (LOS/PCN/WP.45P/Rev.2) of this Agreement which forms an integral part of it.

Article 8

Consistency

The provisions of the Convention related to the structure and the functions of the Authority not referred to in this Agreement shall be applied taking into account the provisions contained in this Agreement.

B. <u>APPLICABLE RULES PENDING THE ESTABLISHMENT OF THE REGIME</u> OF EXPLOITATION

Article 9

General provision

Pending the establishment of the Régime of exploitation referred to in part c) of the Agreement, the functions of the Assembly and the Council and the Régime for contractors and applicants for a plan of work for pioneer activities in the Area shall be only governed by the following provisions.

Article 10

Functions of the Assembly

The functions of the Assembly shall include those referred to in article 160 § 1 of the Convention and the following functions :

- (a) to monitor and review the trends and developments relating to marine scientific research in the Area and those relating to the protection of the marine environment;
- (b) to monitor and review the trends and developments relating to the deep seabed mining activities, including deep seabed mining technology;
- (c) to study the problems which would be encountered by developing land-based producer states likely to be most seriously affected by the production of deep seabed minerals with a view to helping them to make the necessary economic adjustment.

Functions of the Council

The functions of the Council shall be :

- (a) to continue, as far as the registered pioneer investors are concerned, the functions already being carried out by the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea (hereinafter referred to as the Preparatory Commission) concerning the implementation of their obligations, in accordance with Resolution II in the Third United Nations Conference on the Law of the Sea (hereinafter referred to as Resolution II) and the related understandings;
- (b) to receive and process any new application for a plan of work for pioneer activities, as far as the other applicants referred to in article 1 of Resolution II and new applicants are concerned, agree upon their obligations and monitor the implementation of their obligations.
- (c) to implement the decisions of the Preparatory Commission taken pursuant to Resolution II;
- (d) to take such measures as are required for the exercise of its functions, including those relating to budgetary matters;
- (e) to establish such organs as may be found necessary.

Régime for pioneer activities

- 1. The Régime for pioneer activities shall be governed by the provisions of Resolution II and the related understandings.
- 2. The requirements contained in Resolution II, §§ 7 (b) and 8 shall be waived with respect of any contractor or applicant for pioneer activities.
- 3. In accordance with Resolution II and the related understandings, the Council shall enter with any applicant into arrangements similar to those made with the registered pioneer investors.
- 4. As far as the applicants referred to in Resolution II, § 1, a), ii) are concerned, an application for pioneer activities shall be deemed to be accepted after 3 months from the date of application provided that they assume the same obligations than those of the applicants referred to in the understanding on the implementation of Resolution II contained in LOS/PCN/L.41/Rev.1 (Annex of 11 september 1986).

C. REGIME TO GOVERN THE EXPLOITATION OF THE AREA

I. Establishment of the Régime of exploitation

Article 13

Determination of the feasibility of commercial exploitation

The date at which commercial exploitation of deep seabed minerals shall become feasible will be determined by the Authority on the basis of a decision by the Council either on its initiative or upon the notification of a request from an operator. The notification will be accompanied by an explanation of the grounds for the operator's request.

Article 14

Régime of exploitation

1. Upon recommendation of the Council, the Assembly shall, as appropriate, adopt the necessary pratical rules and regulations which will govern the commercial exploitation of deep seabed minerals. To this end, it shall implement the principles contained in part C., II, Subsection B of the Agreement and, when they are consistent with those principles, the relevant provisions of the Convention and Annexes III and IV.

2. If the Authority has not adopted the Régime for exploitation referred to in § 1 above within 3 years, it shall enter into negotiations with an applicant for a plan of work of exploitation, in order to conclude an contract for exploitation within two years after the beginning of such negotiations.

II. General principles to govern the Régime of exploitation

Article 15

The Enterprise

- (a) In case the Enterprise participates in the exploitation, it shall begin its operations through joint ventures.
- (b) The fact that the operations of the Enterprise shall begin by joint ventures shall be without prejudice to other future options of the Enterprise.
- (c) States Parties shall not be under an obligation to fund a mining operation of the Enterprise.

Article 16

Cooperation in relation to the acquisition of technology

- (a) The obligation of mandatory transfer of technology to the Enterprise shall not arise since the Enterprise shall begin its operations through joint ventures and is free to engage in this type of operation at any time thereafter. The availability of technology shall be part of the joint venture arrangements.
- (b) The Authority shall have the power to invite all contractors and their respective sponsoring States to cooperate with it in the acquisition of technology by the Enterprise or the joint ventures on fair and reasonable commercial terms and conditions, if the technology in question was not available on the open market. In addition, all States Parties are called upon to undertake in good faith to assist the Enterprise to perome a viable commercial entity and to angage successions.

States sponsoring deep seabed mining operations and those whose nationals may develop such technology should agree to take effective measures consistent with this undertaking.

- (c) If technology is not readily available on the open market, a State or several States seeking access to technology should enter joint venture agreement with the operator having the necessary technology, or with the Enterprise. The Authority shall make every effort to assist in the acquisition of necessary technology by the requesting State or States and in the conclusion of joint venture agreements.
- (d) As a general rule States Parties should endeavour to promote international technical and scientific cooperation either between the parties concerned in activities relating to the seabed, or by developing training, technical assistance and scientific cooperative programmes.

Article 17

Policies relating to the production of minerals

When commercial production of deep seabed minerals becomes feasible, the following principles shall apply with respect to a production policy :

- (a) There shall be no subsidization of production of minerals from the deep seabed. As far as anti-subsidy provisions are concerned, the application of the GATT rules shall be considered.
- (b) There shall be no discrimination between minerals from land and from the deep seabed. There shall be no discrimination between seabed miners and land-based miners, nor between seabed miners. In particular, there shall be no preferential access to markets for minerals derived from the deep seabed by use of tariff or non-tariff barriers or for imports of commodities produced from such minerals, nor shall any preference be given by States to minerals derived from the deep seabed by their nationals.
- (c) The plan of work approved by the Authority in respect of each mining area shall indicate a production schedule which shall include the estimated amounts of minerals that would be produced per year under that plan of work.

- (d) The rights and obligations relating to unfair economic practices under the relevant multilateral trade agreements shall apply to the exploration and exploitation of minerals from the deep seabed.
- (e) States parties sponsoring the carrying out of activities in the Area by their state enterprises or natural or juridical persons who possess their nationality or are effectively controlled by them or their nationals, shall assure the Authority that they have taken or are taking any necessary steps to ensure that they do not engage in subsidization except as may be permitted under GATT agreements.
- (f) The principles contained in sub-paragraphs (a) to (e) shall not affect rights and obligations under GATT agreements in relations between States Parties which are contracting parties of the GATT.
- (g) States Parties which are Parties to such multilateral trade agreements shall have recourse to the dispute settlement procedures of such agreements. States which are not Parties to such agreements shall have recourse to the dispute-settlement procedures provided for under the Convention.

System of assistance

When commercial production of deep seabed minerals becomes feasible, the following principles shall apply with respect to a system of assistance for adversely affected developing land-based producer States :

- (a) Adversely affected developing land-based producer States shall be provided with some economic assistance to facilitate the adjustment of their economies to changed circumstances.
- (b) An economic assistance fund shall be established from that portion of the funds of the Authority which exceeds the administrative expenses of the Authority. Only funds from payments received from the contractor in accordance with the financial terms of contracts, funds transferred from the Enterprise and voluntary contributions, shall be used for the establishment of the economic assistance fund.
- (c) The Authority shall provide assistance from the fund to adversely affected developing lad-based producer States where appropriate in cooperation with existing global

or regional development organs which have the infrastructure and expertise to carry out such assistance programmes.

(d) The extent and duration of such assistance shall be determined on a case-by-case basis. In doing so, due consideration shall be given to the nature and magnitude of the problems encountered by adversely affected developing land-based producer States.

Article 19

Financial terms of contracts

When commercial production of deep seabed minerals becomes feasible, the following principles shall apply with respect to a system of payment by an operator to the Authority :

- (a) The system of payments to the Authority shall be fair both to the operator and to the Authority.
- (b) The rates of payments under the system shall be within the range of those prevailing comparable systems in respect of land-based mining of the same or similar minerals in order to avoid giving seabed miners an artificial competitive advantage, or imposing on them an artificial competitive disadvantage. The possibility of a review of the system of payments during the lifetime of a contract in view of changing circumstances, should be considered. Such a review may be requested either by the contractor or by the Authority; the review itselfs shall be conducted through direct negotiations with the Authority on a non-discriminatory basis and any agreement shall be mutually accepted.
- (c) While the system should not be complicated and should not impose major administrative costs on the Authority or on the operator, consideration should be give to the adoption of both a production charge system and a mixed system. An operator shall choose to make his payments to the Authority under either of these systems.
- (d) States shall cooperate with the Authority in order to review problems which may arise from payments to States by operators from the income of deep seabed exploitation and to solve such problems.
- (e) In case there is an annual fixed fee to be taid by an operator during the exploration stage, such a fet shall

be adjusted at the time of the approval of the plan of work in order to take account of the anticipated delay in reaching the exploitation stage and the risks involved in establishing an industry in a new and unstable environment.

- (f) Consideration shall be given to develop a system of incentives on a uniform and non-discriminatory basis for inter alia, operators to undertake joint arrangements with the Enterprise and developing States or their nationals. The Authority shall ensure that as a result of such financial incentives, operators are not subsidized so as to be given an artificial competitive advantage with respect to land-based miners.
- (g) Any disputes concerning the interpretation or application of the rules and regulations based on these principles shall be subject to the dispute settlement procedures under the Convention.

Article 20

Review conference

Any amendment to the Convention shall be adopted and enter into force only in application of the provisions contained in part XVII of the Convention.

Final clauses

1. Part XI and annexes III and IV of the Law of the Sea Convention shall be read and interpreted as modified and completed by the present Agreement with which they shall constitute an integral whole.

2. Articles 309 to 320 as well as Annex IX of the Law of the Sea Convention shall apply also to the pesent Agreement.

3. States and other entities referred to in article 305 of the Convention may become bound by the present agreement only in conjunction with the Convention and they may become bound by the Convention only in conjunction with this Agreement.

4. States or entities which have deposited an instrument of ratification, formal confirmation or accession to the Convention, shall be deemed to have expressed their will to bound by the present Agreement twelve months after its adoption unless, within such time limit, they notifiy the Depositary that they wish to follow the procedure set forth in articles 306 or 307 of the Convention.

5. The present Agreement shall enter into force on the day of the deposit of the instrument of ratification, formal confirmation or accession, provided two States mentioned in subparagraphs (I), and two States mentioned in subpara (II) of paragraph 1 (a) of Resolution II of the IIIrd UN Conference for the Law of the Sea have expressed their will to be bound according to articles 3 or 4.

States and entities mentioned in article 4 which have not made the notification mentioned therein shall be counted as having deposited their instrument of ratification, formal confirmation or accession upon expiry of the twelve-month period specified in that article.