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REPORT OF THE MEETING OF THE AD-HOC ADVISORY EXPERT GROUP OF THE LATIN AMERICAN GROUP IN THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA

(Santiago, Chile, 9-11 November 1988)

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CONTENTS

I. ATTENDANCE AND ORGANIZATION OF WORK

Place and date

1. The Meeting of the Ad-Hoc Advisory Expert Group of the Latin American Group in the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea was held at ECLAC headquarters in Santiago, Chile, from 9 to 11 November 1988. The meeting was called to analyse ways to strengthen the negotiating position of the Latin American groups in international forums on developing the resources of the sea.

Attendance

2. Seven specialists on the subject from Latin America and from an international organization participated in the meeting.

Agenda

3. The deliberations of the meeting took place in accordance with the following agenda:

1. Opening meeting.

2. The present state of the negotiations in the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea. The work of the Special Commissions.

   a) Special Commission 1, on protection for land-based producers. Support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies.

   b) Special Commission 2, on the Enterprise and the fulfillment of obligations by the registered pioneer investors. Support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies.

   c) Special Commission 3, on the Draft Mining Code for the Area and the problems of the transfer of technology. Support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies.

3. Environmental factors in the Draft Code and in the fulfillment of obligations by the registered pioneer investors. The work of the Ocean and Coastal Areas Programme Activity Centre of the United Nations Environment Programme and its regional branches.

4. The priorities of the Latin American Group and the Group of 77 in the negotiations. Urgent issues.

   a) Comments of the experts on Latin American priorities in Special Commission 1.

   b) Comments of the experts on Latin American priorities in Special Commission 2.

   c) Comments of the experts on Latin American priorities in Special Commission 3.

5. Guidelines for ECLAC's action in the region, and its possible role as catalyst for the different regional components of the United Nations system with competence in the respective matters.

Opening Meeting

4. The opening meeting began with an address by Mr. Gert Rosenthal, Executive Secretary of ECLAC. Mr. Rosenthal welcomed the participants and stressed the significance of the United Nations Convention on the Law of the Sea as one of the most important advances of the Organization in accomplishing the objectives of its Charter. He highlighted ECLAC's particular interest in participating, within its sphere of competence, in the efforts of Latin America and the Caribbean to contribute --through the work of the Preparatory Commission-- to a more effective use of the common heritage of mankind. At the end of his remarks, Mr. Rosenthal reported that the participating experts had agreed to ask Ambassador Mauro Mendes de Azeredo to act as co-ordinator of the meeting.

II. SUMMARY OF DISCUSSIONS

The present state of negotiations in the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea. The work of the Special Commissions

a) Special Commission 1, on protection for land-based producers. Support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies

5. The presentation of this agenda item was made by Mrs. Carmen Artigas de Santamaría, who began by analysing the subject of compensation and subsidies to sea-bed mining, as discussed by the Special Commission during its sixth session. Mrs. Artigas described the different positions taken on compensation

and the Compensation Fund; the possibilities of using the Fund's resources for technical assistance through technology transfer and training; incentives for diversifying the economy; national or regional processing plants, and loans or cash payments. She also pointed out that, parallel to the negotiations regarding the Fund, it had been proposed that the land-based producing countries' response capacity should be enhanced by promoting forms of dialogue among them to foster the development of the copper, nickel, cobalt and manganese industries, that co-operation in using the basic products obtained from these minerals should be stimulated, and that the developing land-based producers should apply economic policies aimed at achieving their self-sufficiency by processing the four minerals in question and using them as inputs to produce new materials. Regarding subsidies to ocean mining, Mrs. Artigas pointed out that some delegations emphasized the need to analyse this problem within the framework of the Convention of and the General Agreement on Tariffs and Trade (GATT), referring the question of regulating the subsidies to the different phases of the Uruguay Round of the GATT negotiations. In relation to this point, she noted that ECLAC could provide the Latin American Group (GRULA) with information about the evolution of the region's positions as the Round advanced. Finally, touching on the projections of demand, supply and prices for the respective minerals, Mrs. Artigas pointed to the Special Commission's need to be provided with data on an ongoing basis and suggested that the information available in ECLAC should be channeled to the Latin American Group.

The impact of exploiting the sea-bed on the producing countries, with special reference to Venezuela

6. This agenda item was presented by Mrs. Alicia Maura, who pointed out that the exploitation of the sea-bed will bring with it a strong imbalance in the world economy. That imbalance could be direct or indirect. In the former case, it would affect the current developing land-based producers, as well as potential producers. She added that studies indicated that 18 developing countries were seriously affected by that situation. She stated that there would also be indirect effects, in so far as countries interdependent with the first-named ones would also suffer imbalances in their economies as a result. She noted that, in the case of Latin America, five land-based producers would suffer the direct effect of that type of extraction: Brazil, Chile, Cuba, Mexico and Peru. In view of that situation, a compensation policy was needed to minimize the effects, and should be considered within the context of the Preparatory Commission. To develop such a policy, the support of industrialized countries such as Australia and Canada was indispensable. The establishment of some system of compensation could be negotiated with such countries in return for the Group of 77's support for the "no subsidies" policy which was a focal point of the industrialized countries' strategy. Mrs. Maura added that since five Latin American countries would be seriously affected by the impact of the exploitation of the sea-bed, the Latin American Group should, today more than ever, assume a clear position as an organized group, with its own specific strategies to deal with this situation.

Some comments on the subject from the experience of land-based mining

7. Mr. Rolando Sanz-Guerrero, of the Natural Resources and Energy Division of ECLAC, referred to a series of new facts that had changed the situation in land-based mining, especially in the case of the four minerals contained in the marine nodules. From the 1980s onwards, nominal prices had gone down except in the case of nickel, and only in the case of copper had there been some recovery in the last year. At the same time, real prices were also lower than in 1980 (except for nickel), which meant that the purchasing power of Latin American mineral export earnings had decreased more than 50% since 1970. In general, new investments in those metals had gone to low-cost mines, forcing out high-cost marginal mines. The speaker mentioned the need to launch a new Latin American strategy aimed at increasing the productivity of firms; diversifying export markets (more trade within the region and with the Organization of Petroleum Exporting Countries (OPEC) and Southeast Asia); diversifying mineral production from only eight to more than 50 products; and starting production of new materials with high growth rates of demand, which called for a Latin American research programme and efforts to attain self-sufficiency in mining products, including inputs and capital goods for mining. He reported that a meeting of the Latin American Integration Association (ALADI) and the Latin American Mining Organization (OLAMI) would be held in Uruguay to seek more effective integration mechanisms, as the integration process had been very much affected by the worsening of the Latin American debt crisis.

8. The comments made by the Latin American experts on this matter are given in paragraphs 20 and 21 of this report.

b) Special Commission 2, on the Enterprise and the fulfillment of obligations by the registered pioneer investors. The support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies

9. Mrs. Carmen Artigas de Santamaría began by describing the current state of negotiations in Special Commission 2. She said that when the pioneer investors complied with their obligations to explore a site at the request of the Preparatory Commission and to provide training and make financial outlays, that facilitated the initial organization of an entity which, according to the document entitled "International Enterprise" (LOS/PCN/SCN.2/WP.14/Add.2), of 18 May 1988, did not however constitute the beginning of the future Enterprise but was simply designed to facilitate the fulfillment of Resolution II of the Third United Nations Conference on the Law of the Sea and to prepare the way for the decision-making that would take place once the Convention entered into force. In her judgment, although the Enterprise as created by the Convention would only formally come into being once the Convention entered into force, Special Commission 2 could further studies that would greatly facilitate future work, and obviously that initial organization for the fulfillment of the pioneer investors' obligations would provide significant experience in that respect. Mrs. Artigas ended by emphasizing the need, in that context, to begin as of now a suitable analysis of the environmental risks of the activities.

10. Mr. Alfonso López Reina and Ambassador Mauro Mendes de Azeredo were responsible for the presentation of the specific negotiation issues. Mr. López Reina noted that the Convention envisaged in Part XI the organization of the Authority as a supreme agency for managing the Area, which was the common heritage of mankind. He added that the Convention also provided for an Enterprise, as the technical and administrative arm of the Authority. The definition and statutes of the Enterprise were to be found in Annex IV. He pointed out that Resolution I created the Preparatory Commission to prepare everything pertinent to the application of the Convention, once the first 50 signatures had been obtained. He stated that the Preparatory Commission's mandate involved fulfilling and ensuring the observance of Resolution II, and specifically ensuring that the Enterprise could carry out activities in the Zone just like States and other entities and persons, for which purpose that mandate provided expressly for the exploration of the first mining site for the Authority by the Enterprise and also covered aspects of education and training, and technology transfer. He said that those points were clearly specified in the Convention and that he particularly wanted to draw attention to Part XIV, Development and Transfer of Marine Technology. He added that an historical compilation could be made of the documents prepared since 1984, with criteria, principles, proposals and comments on the different aspects for fulfilling the mandate and proposing options for structuring the agency.

11. In presenting the document entitled "International Enterprise" (LOS/PCN/SCN.2/WP.14/Add.1 and Add.2), Mr. López Reina compared paragraph 12 of Resolution II and paragraph 14 of the Understanding, in order to show the changes that had taken place during these negotiations. He stressed that the mission of the Enterprise was to be an agency representative of mankind and to apply criteria of socio-economic development and public service, as distinct from the utilitarian and short-range criteria to be followed by the Enterprise as envisaged in other proposals. He pointed out that Miller's flow diagram for research and development showed the necessary stages for solving problems economically, and emphasized that that model could be used successfully for the training needs of new personnel if it was linked to the problem when that was done. As from that point, he said, each of the options given in the document was spelled out, showing the positive and negative aspects of each. Four options were proposed for the application of paragraph 12 of Resolution II and paragraph 14 of the Understanding of September 1986, and the costs and benefits of each of them were calculated, as follows:

a) First Option: The pioneer investors proceed individually. Their assistance to the Preparatory Commission in the exploration of the first mine site, in the training of personnel and in the preparation of a work plan for the future Enterprise may take various forms, ranging from providing the services on a cost-free and interest-free basis to providing them at 50% of cost or at different percentage or interest rates;

b) Second Option: The pioneer investors form a model research and development enterprise which will reduce the cost to themselves and simultaneously serve the future major Multinational Enterprise of the Sea-Bed Authority;

c) Third Option: The pioneer investors establish a joint research and development enterprise with international official assistance for the benefit of the Preparatory Commission and the Multinational Enterprise. This third option offers benefits at relatively low cost, and gives the Preparatory Commission and the Third World countries the opportunity of participating "passively" in research and development;

d) Fourth Option: The pioneer investors establish in association with the Preparatory Commission, before the Convention enters into force, a "Sui Generis Model Entity" whose functions will be personnel training, transfer of technology, environmental impact studies, exploration of the first mine site and design of the Mining Enterprise. As soon as the Convention enters into force, the group of pioneer investors will associate themselves with the Nucleus Enterprise, which will carry forward without a break in continuity the activities initiated in the Model Entity and will be responsible for carrying out the various mining processes, from exploration to marketing.

12. Mr. López Reina added that the fourth option seemed to be the one that offered the greatest benefits at the lowest cost. Moreover, it was the only one that would enable the Preparatory Commission and the Third World countries to participate in research and development from the outset, thus complying fully with the preambular declaration. He stated that the two phases referred to in the fourth option must be considered as a single whole; nevertheless, provision needed to be made for a mechanism to de-link the first portion of the activities from the subsequent part, which would take place when the Convention entered into force. He ended by saying that in the previous explanation some aspects of training and of the possible forms which it might take had been spelled out; the same thing was done for the transfer of technology, following new criteria in accord with processes leading to innovative technology through scientific research.

Fulfillment of the obligations of the registered pioneer investors

13. Ambassador Mauro Mendes de Azeredo pointed out that there was a certain difficulty in fulfilling these obligations, as the pioneer investors gave a highly restrictive interpretation to the provisions of Resolution II and the "Statement on the Implementation of Resolution II", contained in the Annex to the Statement made by the Acting Chairman of the Preparatory Commission (document LOS/PCN/L.41/Rev.1 of 11 September 1986), and in some respects that interpretation implied a departure from the principles of the provisions. Firstly, the pioneer investors demand that the unused part of the US$250 000 fee be returned before the Convention entered into force. They also sought to be relieved of the obligation to pay the annual fixed fee of US$1 million, arguing that they would not immediately begin their activities. With respect to the amount of periodical expenditures envisaged in letter c) of paragraph 7 of Resolution II, the Group of 77 preferred that the pioneer investors themselves should suggest a sum for the Preparatory Commission's consideration. The Group of 77 considered it indispensable to establish a mechanism to evaluate those expenditures after two years. Regarding the exploration of the Area at the request of the Preparatory Commission, provided for in paragraph 12.a)i) of Resolution II and in paragraph 14 of the "Statement on the Implementation of Resolution II", mentioned above, the

Group of 77 understood those to be two distinct obligations. Moreover, the pioneer investors understood the extension of the area of first activities to be 52 300 square kilometres, while the Group of 77 maintained that it should be 150 000 square kilometres. As for the obligation to provide training, the Group of 77 maintained that it should be cost-free, but the registered pioneer investors have not pronounced themselves on this point. The question of technology transfer has also provoked disagreements, and the obligations of the pioneers in this matter must be further clarified. As for the obligations of the certifying States, all agreed that the obligation to supply in a timely manner adequate funds to the Enterprise must be fulfilled only when the Convention enters into force. Also, the Group of 77 considered that the periodical reports on activities must be presented every six months, if they were to be efficient, and the Group also insisted that the reports must indicate the measures taken to protect the marine environment, as mentioned in document LOS/PCN/L.55 of 6 January 1988. Finally, a very controversial obligation is that which refers to the compensation for the possible margin of error in calculating the estimated equivalent commercial value of the area reserved for the Preparatory Commission, if this turns out to be less than the "self-designated area".

14. The comments of the Latin American experts on these points appear in paragraph 23 of this report.

c) Special Commission 3, on the Draft Mining Code for the Area and the problems of the transfer of technology. The support options for ECLAC, the regional organizations of the United Nations system and other intergovernmental agencies

15. Mrs. Carmen Artigas de Santamaría touched on the salient points of the recent negotiations on the draft regulations for the prospecting, exploration and exploitation of polymetallic nodules in the Area, commonly known as the Draft Mining Code for the Area. Mrs. Artigas indicated that those regulations were designed to implement the provisions of the Convention, and the Group of 77 should therefore be careful to ensure that they were not interpreted in such a way as to introduce alterations that would frustrate the principles of the Convention. She also pointed out the importance of considering the question of technology transfer in the context of the contribution that the Convention represented to the establishment of a just and equitable international economic order. Consequently, the obligatory element should be maintained in order to safeguard the common heritage. She noted the advisability of taking account of the Latin American experience in the negotiations on the international transfer of technology and, in the same connection, of the progress made in drafting an international code of conduct for the transfer of technology. With respect to the articles about technology transfer proposed by the Secretariat of the Preparatory Commission, she drew attention to the need to keep the concept of "processing" within the scope of the provisions; to link the question of acquiring technology to the work of Special Commission 2, and not to overlook the delicate questions posed by the limitations due to national security, since, in her judgment, the contractor's obligation not to use technology that could not be transferred was adequate as a general principle and would not need further specification as in draft article 97. Finally she alluded to the importance of

environmental considerations in the draft regulations, and to the advisability of providing the Latin American Group with some outline articles for the negotiations on that subject once the Secretariat put forward a proposal.

The Latin American experience in the transfer of technology in the context of land-based mining

16. The exposition on this point by Mr. Rolando Sanz-Guerrero centered on the circumstances that have most damaged Latin American land-based mining and made necessary the formulation of new strategies, especially in the area of the transfer and development of appropriate technology. Among those circumstances, he highlighted the substantial decrease in prices and international demand for mining products; the severe restrictions produced by the increase in the external debt, which impeded the growth of interregional trade; and, on the supply side, the technological innovations generated in the developed countries. The latter countries had adopted measures to lessen their dependence on mineral raw materials from the developing countries, because of their concern about an eventual gradual exhaustion of those materials. They had consequently reoriented investments towards the developed countries themselves; developed processes for recycling scrap metal; introduced miniaturization, using less metal per unit of production; substituted materials, and begun to explore the sea-bed in search of minerals. That whole process had brought about great technological innovations in exploration as well as in mining and metallurgical production, and a great variety of new materials had been created that used non-traditional mineral raw materials (super-alloys, ceramic compounds, optic fibres, etc.), for which there was a growing demand, while large sums were allocated for applied research. That raised the question of what Latin America could do about such a loss of its comparative advantages, and fundamentally the answer was to reorient its mineral production towards compounded raw materials and the manufacture of advanced materials and finished products. The only way to prevent an increase in the current enormous technological gap was for the Latin American countries to undertake co-ordinated actions in the fields of research, development and technology transfer. Such actions could begin with the meeting on mining technology to be held in Brazil in August 1989.

General appraisal of the draft regulations on prospecting, exploration and exploitation of polymetallic nodules in the Area

17. Professor María Teresa Infante referred to the principal elements of the basic provisions on prospecting, exploration and exploitation of the mineral resources of the Area dealt with in Annex III, and in particular the provisions about the transfer of technology contained in article 5 of Annex III of the United Nations Convention on the Law of the Sea. She described the main problems arising in the discussion of this question with regard to the nature and extent of the obligation to transfer technology; who has that obligation; the mechanisms for obtaining the transfer; and the most suitable procedure or procedures for the settlement of disputes in order to obtain results in this matter. She considered the proposed alternatives and

the projected negotiations, as well as the elements linking this question to other matters being analysed by the Preparatory Commission to promote broad support for the Convention. In conclusion, she emphasized the importance of preparing technical studies to increase the negotiating capacity of the Latin American countries on the basis of the existing experience of technology transfer in offshore mining, taking especially into account the practices followed in contracts, joint agreements, patents and technology, ownership, and settlement of disputes.

Environmental factors in the Draft Code and in the fulfillment of obligations by the registered pioneer investors. The work of the Oceans and Coastal Zones Programme of the United Nations Environment Programme (UNEP) Activities Centre and its regional branches (item 3 of the agenda)

18. Dr. Jairo Escobar, Advisor to UNEP/Permanent Commission for the South Pacific presented this item. He stated that the issue of marine pollution had been designated a priority of the United Nations Environment Programme (UNEP), where it was treated regionally through the Regional Seas Programme. He added that at the present time the programme included 11 geographic areas in which 120 coastal States participated. In order to link regional research activities to the programme of Global Investigation of Pollution in the Marine Environment (GIPME), UNEP had developed reference methods to guarantee the comparability of results between regions. Dr. Escobar stated that UNEP also participated in and supported the activities of the Group of Experts on Methods, Standards and Intercalibration (GEMSI) and the Group of Experts on the Effects of Pollution (GEEP) of the Intergovernmental Oceanographic Commission, while it acted as technical secretariat for several working groups of the Joint Group of Experts on Scientific Aspects of Marine Pollution (GESAMP). Regarding the United Nations Convention on the Law of the Sea, he said that UNEP had devoted special attention to problems of pollution from land-based sources and from offshore mining, and had offered its collaboration and support for the gradual development of legislation on questions of responsibility and compensation in cases of damage to the environment, while UNEP had also offered to collaborate in the supervision and evaluation of activities such as deep sea-bed mining, in order to determine the measures needed to protect the marine environment. Dr. Escobar also indicated that UNEP would be willing to collaborate with the International Sea-Bed Authority, incorporating environmental considerations into the norms and regulations for sea-bed mining activities in the International Zone.

19. After the exposition of the expert from UNEP/Permanent Commission for the South Pacific, the participants agreed that the support of UNEP was urgently needed during the present stage of the Preparatory Commission's work. Dr. Jairo Escobar was requested to communicate to UNEP the importance of its participation in attending to the countries' concerns for environmental aspects in the pioneers' fulfillment of their obligations and in the negotiations on the Draft Mining Code for the Zone.

20. The comments by the Latin American experts on this matter are to be found in paragraph 24 of this report.

The priorities of the Latin American Group and of the Group of 77 in the negotiations. Urgent matters. Comments of the experts on Latin American priorities in Special Commission 1 (item 4 a) of the agenda)

21. The experts agreed on the outstanding importance of the subject of compensation, and on the need to have solid negotiating points, since there were considerable differences with the industrialized countries about this question. The fact that representatives of the Latin American Group would soon join the working group analysing the plan for a Compensation Fund made it desirable for the Group to have a more detailed study about the matter, along the lines of the proposal of the Group of 77 contained in the document "Proposal for the Establishment of the Compensation Fund" (LOS/PCN/SCN.1/1986/CRP.12). The experts also considered that the availability to the members of the Latin American Group of the documentation prepared by ECLAC on land-based mining would facilitate the search for comparative solutions to the problems that the region and the Group of 77 face in general in that Special Commission. The experts also agreed on the advisability of developing --parallel to the negotiations on the Compensation Fund, which they considered to be of fundamental importance-- an immediate strategy to strengthen the response capacity of the land-based producing countries. That could be done by using the funds as suggested by the Group of 77 in the above-mentioned document and in any other ways which were felt to be advisable. That would provide more direct experience of those remedial measures, while at the same time enriching the definitive proposal of the Group about the Fund proper. The experts were in accord that both the analyses of the Compensation Fund as well as the "preparatory strategy" should refer to the interregional context of the Group of 77, whether or not they started from the Latin American experience. Concerning the problem of subsidies to sea-bed mining in the Area, the experts recommended following the developments in the Uruguay Round of the GATT Multilateral Trade Negotiations, particularly the actions of Latin America in that forum aimed at bringing the question before the Negotiating Group on Subsidies and Countervailing Measures.

22. The experts also expressed their hope that many of the above-mentioned activities could be channelled into technical co-operation actions likely to optimize the different national efforts.

23. Mr. Raúl Atria, regional advisor of ECLAC on Technical Co-operation among Developing Countries (TCDC), outlined ECLAC's possibilities in that field, noting that a context of concerted action was indispensable in order to embark on any co-operation project. He also said that adequate information was necessary on the real possibilities of co-operation and the political will of the governments to promote such co-operation, while it was also necessary to channel resources properly and identify the different actors in the process of co-operation. He added that in view of those conditions, ECLAC could begin to explore ways to make such co-operation operative, through donations or by using the funds available through the indicative national planning figures of the United Nations Development Programme. In any event, however, the indispensable condition was the will of the governments. In conclusion, he said that ECLAC, in the context of the Caracas Programme of Action, had supported different initiatives of the Group

of 77, and that, if the governments asked for such support, ECIAC could analyse the possibilities of co-operation in this matter.

Comments of the experts on Latin American priorities in Special Commission 2 (item 4 b) of the agenda)

24. It was considered of fundamental importance to attempt to secure the fulfilment of the obligations of the registered pioneer investors through a mechanism for articulating such obligations. In this respect, it was considered advisable to go further in the analysis of some informal structure that could co-ordinate the Preparatory Commission's various efforts to implement Resolution II, starting with already existing facilities such as the Group of Technical Experts set up to advise the Commission on the registration of the pioneer investors. The experts likewise underlined the importance of considering in greater depth the proposal for the Enterprise presented by the Republic of Colombia, in order to establish the technical and administrative aspects of the problem, while Special Commission 2 clarifies the pending political points. There was also agreement on the importance of including the environmental component in the negotiations with the pioneer investors regarding their exploration activities.

Comments of the experts on Latin American priorities in Special Commission 3 (item 4 c) of the agenda)

25. There was full agreement on the importance of not allowing changes to be made in the principles of the Convention in the course of the negotiations on the Draft Mining Code. The experts considered that the documentation on the question of technology transfer and environmental considerations would be extremely useful to the Latin American Group for encouraging the Group of 77 to take initiatives in relation to those issues. With regard to environmental considerations, they thought it desirable to have the collaboration of the United Nations Environment Programme in order to gain a proper perspective on this matter --judged to be of immediate importance-- in the present stage of the Preparatory Commission.

III. CONCLUSIONS: PROPOSALS FOR ACTION

26. The participants in the meeting agreed on the following points:

a) To establish a stable mechanism to channel the technical information of ECIAC to the Latin American Group, while at the same time allowing ECIAC to be made aware of the Group's negotiating concerns in the areas within ECIAC's competence. To that end, the experts agreed that it was indispensable to communicate the results of the present meeting to the Latin American Group and it was agreed to ask the Co-ordinator of the Group to act as spokesman at the next meeting of the Preparatory Commission, and to explore with the other members of the Group a way to establish that mechanism in the future.

b) To begin immediately to maintain direct communications with the experts participating in the meeting, to send as soon as possible the report of the meeting to the Latin American and Caribbean Foreign Ministries so as to interest governments in its results and to request each government to communicate to ECLAC the name of the person in charge of this field of activity, so that information about any future actions may be sent directly to them.

c) To request the Latin American Group and the Group of 77 to send ECLAC their working documents and those of their contact groups on the areas of concern of the three Special Commissions, as well as material of national origin which —in the judgment of the experts— would facilitate the provision of pertinent technical support.

d) To prepare, as the principal form of technical support, studies on the priorities identified during the meeting, and to channel the relevant information from ECLAC and the other components of the United Nations system.

e) Assistance in connection with the documents mentioned in paragraph d) would concern the following matters:

i) An analysis of the Compensation Fund, starting from the proposal of the Group of 77 contained in the document "Proposal for the Establishment of the Compensation Fund" (LOS/PCN/SCN.1/1986/CRP.12), which would facilitate the task of the Latin American representatives at future meetings of the working group to examine a plan for the Compensation Fund (Immediate priority).

ii) The design of an immediate strategy which, parallel with the negotiations on the Compensation Fund, would strengthen the land-based producing countries' response capacity prior to the Convention's entering into force (Medium-term priority).

iii) Follow-up of the Uruguay Round of the GATT Multilateral Trade Negotiations on subsidies, compensatory measures and products from the exploiting of natural resources, taking especially into account the forthcoming regional co-ordination meeting of the Latin American Economic System and the Ministerial Meeting of the "Mid-term Review" of the Uruguay Round (Medium-term priority).

iv) Land-based mining activities in the region and the pertinent documentation, fundamentally from ECLAC and the Latin American Mining Organization (OLAMI), together with documentation on supply, demand and prices of minerals extracted in the Zone, and any others considered relevant. With respect to this point, the experts stressed the great importance of undertaking co-ordinated Latin American action in the fields of research and the development and transfer of technology. Such action could begin with the meeting on mining technology to be held in Brazil in August 1989 (Medium-term priority).

v) The improvement of Latin American capacity in the fields of human resources, institutions, infrastructure, technology, business organizations and financial resources which could facilitate the development of an integral strategy for training, taking especially into account the favourable context offered by the United Nations Convention on the Law of the Sea, resolution II, and the resolution contained in Annex VI of the Final Act of the Third United Nations Conference on the Law of the Sea (Medium-term priority).

vi) In relation to the above paragraph, a survey of experts and institutions in the region should be made in order to prepare inventories that would make possible rapid access to the training facilities to be made available by the registered investors in the fulfillment of their obligations (Immediate priority).

vii) A survey should be made of the international and regional technology transfer situation —whose regulation in the framework of the Convention should preserve the fundamental objective of contributing to the establishment of a just and equitable international economic order and safeguarding the common heritage— with special attention being given to the requirements of the negotiations on this issue, both as regards the pioneer investors' compliance with their obligations and as regards the draft regulations submitted by the Secretariat to Special Commission 3. With regard to this point, the experts highlighted the importance of giving the Latin American Group the necessary elements for playing a more active role in the formulation of proposals in this field. The advisability of analysing the specific instances of marine technology transfer was also emphasized, taking especially into account the practices with regard to contracts, joint agreements, patents, technology ownership and settlement of disputes (Immediate priority).

viii) Environmental considerations, both as regards the pioneer investors' fulfillment of their obligations and as regards the design of the provisions of the draft regulations on the prospecting, exploration and exploitation of polymetallic nodules in the Zone, without prejudice to the actions recommended in letter f).

f) To request the Latin American Group to ask UNEP to study the applicability of the "Guidelines and Principles of Environmental Law for Offshore Mining and Drilling" to the mining activities in the Zone and, if necessary, to prepare other proposed rules in this respect.

g) To seek ways to hold annual meetings of the Group of Experts, with wider participation and less cost to ECLAC and to the countries. To this end, it was recommended to consider the possibility of the Group of Experts meeting when the Preparatory Commission meets semi-officially, thus avoiding travel costs for national experts and also allowing the Secretariat to include in its contribution the results of the first part of the sessions.

h) To encourage ECLAC to continue its efforts to further knowledge of the United Nations Convention on the Law of the Sea within diverse organizations of the region (governmental, public, private, academic, business and educational bodies) and to seek the co-operation of academic groups so as to facilitate the orientation of this work of dissemination in the various sectors considered by the Convention.

Annex 1

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Annex 2

LIST OF DOCUMENTS

Working Documents

1. Provisional agenda (LC/L.474(Sem.45/1)).
2. La negociación en la Comisión Preparatoria de la Autoridad Internacional de los Fondos Marinos y del Tribunal Internacional del Derecho del Mar: algunas reflexiones en torno a la contribución latinoamericana (LC/R.700(Sem.45/2)).

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