Sir

KORNAY

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Suggested compromise formula

Article 9

1. Activities in the Area shall be undertaken in accordance with the provisions of this Part of the Convention in such a manner as to foster the healthy development of the world economy and a balanced growth in international trade, to promote international co-operation for the over-all development of all countries, especially of developing countries, and with a view to:

(a) Orderly and safe development of the resources of the Area, as well as the efficient conduct of activities in accordance with sound principles of conservation, including the avoidance of unnecessary waste;

(b) Ensuring equitable sharing of financial and other economic benefits derived from activities in the Area, taking into particular consideration the interests and needs of the developing countries and peoples in accordance with article 26, paragraph 2 (b), and consistent with articles 18 and 23;

(c) Ensuring the transfer of revenues as provided for in annex I, paragraph 9 (d), and promoting measures and programmes for the transfer of technology as provided for in article 11;

(d) Increasing availability of raw materials in order to secure adequate supplies to consumers of such minerals originating in the Area as are also produced outside the Area;

(e) Providing for just, stable and remunerative prices for such minerals originating in the Area as are also produced outside the Area, and promoting equilibrium between supply and demand;

(f) Enhancing opportunities for all States Parties, irrespective of their social and economic systems or geographical location, to participate in the development of the resources of the Area and preventing monopolization of the exploration and exploitation of the resources of the Area.

2. Activities in the Area shall be undertaken with a view to protecting developing countries from adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or in the volume of that mineral exported, to the extent that such reduction would be caused by activities in the Area, by

(a) Facilitating, through existing forums or such new arrangements or agreements as may be appropriate and in which the interested parties participate, measures necessary to achieve the growth, efficiency and stability of markets for those classes of commodities produced from the Area, at prices remunerative to producers and fair to consumers. All Parties shall co-operate to this end. The Authority shall have the right to participate in any commodity conference dealing with the categories of minerals produced in the Area. The Authority shall have the right to become a party to any such arrangement or agreement resulting from such conferences. The participation by the Authority in any organ established under the arrangements or agreements referred to above shall be in respect of production in the Area.
(a) Programmes for the promotion of transfer of technology to the Enterprise and to developing countries with regard to activities in the Area, including, inter alia, facilitating the access of the Enterprise and of developing countries to the relevant technology, under just and reasonable conditions;

(b) Measures directed towards the advancement of the technology of the Enterprise and the domestic technology of developing countries, particularly through the opening of opportunities to personnel from the Enterprise and from developing countries for training in marine science and technology and their full participation in activities in the Area.

Suggested compromise formula

Article 22

1. Activities in the Area shall be conducted, organized and controlled by the Authority in accordance with the provisions of this article as well as other relevant provisions of this Part of the Convention and its annexes, and the rules, regulations and procedures of the Authority adopted under article 28 (2) (xii).

2. Activities in the Area shall be conducted on the Authority’s behalf

(i) directly by the Enterprise, and,

(ii) in association with the Authority in the manner prescribed in paragraph 3 below, by States Parties or State Entities, or persons natural or juridical which possess the nationality of States Parties or are effectively controlled by them or their nationals, when sponsored by such states, or any group of the foregoing.

3. Activities in the Area shall be conducted in accordance with a formal written plan of work drawn up in accordance with annex I and approved by the Council after review by the Technical Commission. In the case of activities in the Area conducted in association with the Authority by the entities specified in paragraph 2 (ii) such a plan of work shall in accordance with annex I, paragraph 5 be in the form of a contract of exploration and exploitation. Such contracts may provide for joint arrangements in accordance with annex I, paragraph 8 bis (i) and (j) (iii).

4. The Authority shall exercise such control over activities in the Area as is necessary for the purpose of securing compliance with the relevant provisions of this Part of the Convention, including its annexes, and the rules, regulations and procedures of the Authority adopted under article 28 (2) (xii) and the plans of work approved in accordance with paragraph 3. States Parties shall assist the Authority by taking all measures necessary to ensure such compliance.

Suggested compromise formula

Article 23

1. The Authority shall not discriminate in the exercise of its powers and functions, including the granting of opportunities for activities in the Area.