(ii) When considering applications from developing countries or from a group of applicants which include developing countries for areas specified under subparagraph (i), the Authority shall, before entering into a contract, ensure that the developing country or countries concerned will obtain substantial benefits therefrom as evidenced inter alia by ____.

(f) The negotiations referred to in this paragraph shall deal with the respective contributions of the Authority and the Contractor in association, including the contribution of funds, materials, equipment, skills and know-how as necessary for the conduct of operations covered by the contract and the extent of the participation of developing countries therein, as well as the proper financial arrangements in accordance with paragraph 9 (d). The Contractor shall provide an appropriate guarantee of satisfactory performance under the contract to be determined by the Authority. Before signing a contract, the Authority must be satisfied that said contract is in accordance with the goals of the Authority as set forth in Part I of this Convention and in this Annex.

(g) [The issue of a quota or anti-monopoly provision remains to be discussed in the Committee in the future.]

The paragraph shall not prejudice the provisions of paragraph 11.

* * *

WORKSHOP PAPER No.2

August 1976

SOVIET UNION

Article 22

1. The activities in the Area shall be conducted by States Parties and directly by the Authority. The Authority shall determine the part or parts of the Area in which the activities shall be carried out by States Parties and the part or parts of the Area in which the activities shall be carried out directly by the Authority. At any time the total area of the part or parts of the Area in which the activities shall be carried out directly by the Authority shall not exceed the total area of the part or parts of the Area in which the activities shall be carried out by States Parties.

2. (a) States Parties shall carry out the activities in the Area pursuant to paragraph 1 of this Article by entering into contracts with the Authority which shall be in accordance with the Basic Conditions provided for in Annex 1. These contracts shall be entered in by the Authority in such a manner as to ensure the right for all States Parties to carry out the activities in the Area irrespective of their geographical location, social system and industrial development, taking into particular consideration the needs of developing countries including those which are land-locked or geographically disadvantaged.
(b) States Parties may, if they consider it appropriate and within the limits specified in subparagraph (a) of this paragraph carry out the activities through State enterprises or juridical persons registered in those States and effectively controlled by them when sponsored by such States in accordance with the applicable provisions of the Basic Conditions set forth in Annex 1.

State Parties sponsoring such juridical persons shall be responsible for taking all appropriate measures to ensure that such persons comply with the provisions of this Part, Annex 1 and the rules, regulations and procedures adopted by the Authority under Article 28.

(c) All contracts entered into by the Authority pursuant to this paragraph for the activities in the Area shall ensure effective fiscal and administrative supervision by the Authority over such activities and shall be drawn in accordance with the Basic Conditions provided for in Annex 1.

3. (a) In the part or parts of the Area, established in paragraph 1 of this Article, where the activities may be conducted directly by the Authority such activities shall be carried out in accordance with applicable provisions of the Basic Conditions set forth in Annex 1.

(b) In the part or parts of the Area where the activities shall be conducted by the Authority, the Authority may, if it considers it appropriate, and within the limits it may determine, carry out activities in the Area or any stage thereof through States Parties to this Convention, or State enterprises, or persons natural or juridical which possess the nationality of such States or are effectively controlled by them or their nationals, or any group of the foregoing, by entering into service contracts, of joint ventures or any other such form of association which ensures its direct and effective control at all times over such activities.

* * *

WORKSHOP PAPER No.3 19 August 1976

UNITED STATES - PROPOSALS REGARDING THE SYSTEM OF ACCESS

Article 22

1. Activities in the Area shall be conducted directly by the Authority through the Enterprise in accordance with Annex I and the rules, regulations and procedures adopted by the Authority under Article 28 (xii). For this purpose, the Enterprise shall enter into contract with the Authority.

2. Activities in the Area shall also be conducted directly by States Parties, or State enterprises, 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, in accordance with Annex I and the rules, regulations and procedures adopted by the Authority under Article 28 (xii), by means of entering into contracts with the Authority.