



NORWEGIAN PETROLEUM  
DIRECTORATE

# ISA and Sponsoring States Components

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- To identify further possible components of the Financial Model

# PAYMENT ALLOCATION

Royalty and contributions

- Authority Administration Costs

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= Payments to States Parties + Economic Assistance Fund

1994 Agreement, Section 7

# ISA COMPONENTS

# FEES

	Item No
•	
• Exploration Licence Application Fee (Overhead)	Relevant item?
• Annual Exploration Fee (Overhead)	relevant item?
• Exploitation Licence Application Fee (Overhead)	28
• Exploitation Annual Fee (Overhead)	29
• Acreage Fee	Not yet included in regulations
• Inspectorate Fee	To be covered by Annual Fee?

# FUNDS and BONDS

	Item No
•	
• Environmental Liability Trust Fund	32
• Seabed Sustainability Fund	33
• Environmental Bond	31
• Economic Assistance Fund	Covered by Royalty

# STATE COMPONENTS

# Not dependent on ISA regulations

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- Corporate Tax Rate
- Insurance?
- Environment bonds or funds?
- (Sponsoring State liability according to Annex III, articles 4.3 and 4.4: "....not be liable for damage caused by any failure of a contractor .....if that State has adopted laws and regulations..... reasonably appropriate for securing compliance by persons under its jurisdiction" )

Item No

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## Dependent on ISA regulations

- Costs may incur to the degree that the ISA regulations trigger the Sponsoring State, e.g. by:
- Adopting laws to ensure compliance with ISA (UNCLOS, Part XII, Article 209) Item No 22
- Imposing monitoring and inspections (lack of ISA capacity)

# CHM COMPONENTS

# Taking care of CHM

Qualitative Assessment of Resource Potential for Rare and Valuable Metals for High-tech Applications Found in Marine Ferromanganese Deposits

	Fe-Mn Crusts	Abyssal Fe-Mn Nodules
Bi	L	-
Co	G	L
Cu	L	G
Li	-	L
Mn	G	G
Mo	L	L
Nb	G	-
Ni	G	G
Pt	L	-
REEs-Y	G	L
Te	G	-
Th	G	-
Ti	G	L
W	L	-
Zr	L	-

G = Good potential; L = Longer-term potential - = not applicable

A. Koschinsky et al. 2010

# Royalty/Payment = Full Compensation of CHM?

- Royalty/Payment covers:

- ISA Administrative Costs
- Annual Exploitation Fee?
- Payment to States Parties
- Economic Assistance Fund

- Royalty/Payment reflects:

- Commercial/market value
- Natural Resource Compensation?  
Related to economic rent/resource rent?

Basket value

Basket value?  
Item No 34