

**STATEMENT BY GRAHAM LEUNG, HEAD OF THE NAURU
DELEGATION AT A MEETING OF THE ISA COUNCIL ON MONDAY
25th FEBRUARY 2019**

Madam President

I would like to congratulate you on your election and assure you of the full support of my delegation.

We consider that the proposed 10 year delay being mooted by some delegations is likely to have significant cost implications to any Contractor investors and could potentially dampen interest in deep sea bed mining.

It is also in contrast with the prior decisions of this Council to adopt the Mining Code by July 2020, which we continue to strongly support.

Nauru considers that it is desirable to commence environmentally responsible and commercially viable mining as soon as practicable.

While there could be various permutations, Nauru supports the adoption of a Financial Payment Mechanism proposal that is simple to administer.

In this regard, Nauru tends to favour a straight out Royalty system and does not support a combined Royalty and Profit Sharing Model.

Nauru also notes suggestions that EMM be modelled, but it seems that Manganese Ore is more likely to be the market.

Finally as the Financial Model was only raised on the agenda for this morning but is becoming more complex, my delegation suggests that we allow additional time on the Financial Mechanism later this week.

We support the German proposal for a roadmap by the Secretariat for establishing environmental standards.

I would like to thank the Secretariat for the documents under this agenda item.

We share the views of other delegations that there should be clarity about which guidelines are legally binding and mandatory and which might be aspirational or non-binding.

With respect to these current two documents on standards and guidelines, it might be relevant to note the “Key Terms” document does not reference Serious Harm, though this term is in the appendix to the C/3 Content and Development of Standards paper.

Nauru considers that it is desirable to clarify the definition of Serious Harm, and requests the LTC further consider this definition in recognition of the fact that any mining activity will by its nature impact the environment, which, without more precise definitions, may be considered “Serious Harm”.

In our view, Serious Harm must be based on objective criteria developed in connection with the environmental management and operational plans of the Contractor, and acknowledging that protection areas have been set aside to assure that permanent Serious Harm is not caused to the environment of the Area. Serious Harm might therefore be considered actions by a Contractor that are not otherwise authorised by the ISA pursuant to an Exploitation Contract.

We look forward to participating in the workshop in Pretoria in May on standards and guidelines as they will complement the mining regulations.