



ITEM 11 - DRAFT REGULATIONS ON EXPLOITATION OF MINERAL RESOURCES IN THE AREA

Briefing Note - Fifth Meeting of the OEWG of the Council on the financial terms of a contract under article 13, paragraph 1 of Annex III to the UNCLOS and under section 8 of the Annex to the Agreement relating to the implementation of Part XI of the UNCLOS of 10 December 1982
(Delivered on 18.07.2022)

Thank you Mr Facilitator. Firstly, The Deep-Ocean Stewardship Initiative wishes to thank the many States who intervened regarding the streaming of the informal sessions. DOSI is a network of over 2000 experts - given the limited in-person participation for Observers who are only allowed one delegate present, we will now be able to once again consult our network in real-time. In the interest of transparency and inclusion to benefit all, we strongly request that the ISA Web TV be streamed for the remainder of the Session.

In regard to the financial terms, DOSI also wishes to raise concern about the lack of incorporation of environmental costs. The ISA should not be deterred by the fact that it may be a difficult task to estimate environmental costs, such as for impact assessment, monitoring and remediation, as well as the value of environmental damage from lost ecosystem functions. The ISA is, and will continue to be, faced with many difficult tasks in managing deep-sea mining, but must take on those tasks nonetheless, with diligent attention, applying appropriate resources, listening to relevant stakeholders, and with precaution as a priority, in order to deliver on its mandate to ensure activities in the Area are conducted for the overall benefit of humankind. Critical ecosystem services that could be impaired by mining include the sequestration of carbon, regeneration of nutrients that permit ocean productivity, fisheries, and biodiversity that has possible biomedical benefits. Ecosystem services directly contribute to human well-being; activities that degrade and damage them result in direct losses for humanity, and these costs should not be borne by society. Environmental costs, including potential losses - for example of the benefits provided via ecosystem services - must inform conversations around royalty regimes, environmental performance guarantees, and every other financial topics discussed at the ISA.

Second, like Costa Rica, the Africa Group, and other State and Observer delegations, DOSI wishes to add our disappointment at the disregard for this issue, which was discussed by many of those in the room during the first part of the 27th Session, as well as in previous sessions. In fact, DOSI raised this concern in 2018, which calls into question the transparency of incorporating stakeholder's views into this process thus far. We wish to suggest an open process that all stakeholders can feed into to strengthen the outputs.

Thank you very much, Mr Facilitator.