

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27<sup>TH</sup> SESSION:  
COUNCIL - PART I**

***Informal Working Group - Environment***

*Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to [council2022@isa.org.jm](mailto:council2022@isa.org.jm).*

**1. Name(s) of Delegation(s) making the proposal:**

ITALY

**2. Please indicate the relevant provision to which the textual proposal refers.**

DR 56

**3. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.**

General remarks

**4. Please indicate the rationale for the proposal. [150 word limit]**

Environmental Compensation Fund is a crucial tool to help remediate any damage arising from activities in the Area as well as restore and rehabilitate the environment when needed and feasible. However we may reasonably rise **doubts about the actual availability of resources when the fund will become operational, if only contractors contribute**. This issue becomes even more relevant if we consider the unpredictable amount of damage that activities in the Area may cause. Italy would encourage more in depth considerations in this regard.

On the issues considered in the box, Italy supports that **vulnerable or affected communities** should participate in decisions about possible disbursement of funds, as mentioned in the letter a).

Questions b), c), d), f) and h) in the box should be deferred to the FC for its recommendations and the Council should probably mandate it to provide its considerations. In particular, letter f) calls for very important reflections, for example, should pure or “objective” environmental damage caused by the activities in the Area be considered as was mentioned before on DR 55? or who will be the recipient of the compensation? All these issues should probably be discussed in connection with the issue of liability.

Question e) is also strictly linked to liability of the contractors. We look forward to the study of the LTC following the creation of an ad hoc group to provide advice to this regard. Italy suggests the LTC to also include this topic in its agenda.

It is important that liability issues be settled before the approval of a PoW for the sake of legal certainty. This also holds true because of the many repercussions the topic has also with respect to other parts of the regulations, besides the Environmental Compensation Fund.