

Speaker: Mr Daniele Bosio

OEWG on the financial terms of a contract:

Italy would like to thank you Mr. facilitator for your very hard work and Prof. Roth for the clarity of the explanations on such a sensitive issue. We recognize the need to create a system that represents the complexity of the matter, which is still new ground not only for all the involved stakeholders but also for the experts who have been asked to prepare a model based on several uncertainties and international jurisdictions. Though we understand that there is an interest from many delegations to continue to explore different mechanisms, we found more beneficial to focus on and refine the models based on ad valorem royalties, both fixed and “progressive” (or “variable”), to see how more detailed models would work. Italy therefore shares the preference of several other delegations on options 2 and 4 on your briefing, specifically on option 4, provided that precise indications on how the variable rate would be applied according to the variation of the metal prices.

ISA needs a stable and manageable system of collection of resources for the benefit of humankind which is fair, equitable and simple to manage while at the same time allowing a contractor to make predictable assessments and retain a share of profit to encourage investments in activities in the Area.

At the same time, payments from contractors should also have “social goals”, just as taxation has within a community, in the sense that it should guide the behavior of economic operators. Therefore, we welcome the proposal to continue refining details and the assumptions of the ad valorem models, including the consideration of environmental parameters as suggested by the delegations of Germany, Spain and others, especially as regards internalization of environmental costs for the contractors.