

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH 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.

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

Federal Republic of Germany

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

Draft Regulation 54

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.

Regulation 54

Establishment of an Environmental Compensation Fund

1. The Authority hereby establishes the Environmental Compensation Fund. Referred to as “the Fund” in the following.

2. The rules and procedures of the Fund shall be established by the Council on the recommendation of the Finance Committee ~~before the commencement of Commercial Production~~ ~~[prior to the grant of an~~ the approval of a first plan of work for a exploitation contract under these regulations, ~~Those rules and procedures shall include:~~

- (a) ~~A mechanism for financing the funds in accordance with regulation 56, including replenishment upon disbursement;~~
- (b) ~~A description of how the funds and any interest generated will be managed and by whom;~~
- (c) ~~The process for accessing the funds;~~
- (d) ~~The type of damages and purposes eligible for claims against the funds;~~
- (e) ~~The standard of proof required for claims against the funds;~~
- (f) ~~A policy on refunds of Contractor payments into the funds;~~
- (g) ~~A process for determining disbursements or refunds from the funds; and~~
- (h) ~~The promotion of the participation of affected persons or other Stakeholders in decisions about disbursement of funds.~~

3. The Secretary-General shall, ~~in consultation with the Finance Committee~~, within 90 Days of the end of a Calendar Year, prepare an ~~independently~~ audited statement of the income and expenditure of the Fund for circulation to the members of the Authority.

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

We welcome the additions. However, it has yet to be decided whether these rules and procedures for the Fund should be developed within the regulations or as a separate Standard.