

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29<sup>TH</sup> SESSION:  
COUNCIL - PART I**

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

**1. Name of Working Group:**

IWG Environment

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

Federal Republic of Germany

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

DR 56

**Red text** is in original draft; **blue text** indicates Germany's textual proposals

**4. 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 56 [IWG ENV]**

**Funding of the Environmental Compensation Fund**

1. In adherence to the ~~precautionary~~ polluter-pays principle the Fund will consist of, but not be limited to, the following monies:

(a) The prescribed percentage or amount of fees paid **after approval of a plan of work and** prior to the commencement of ~~mining activities~~ **(Commercial Production) in the Area under an Exploitation Contract** by Contractors or the Enterprise to the Authority;

...

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

- Para 1(a): It is important that the Fund has a sufficient balance before the start of any activities under an Exploitation Contract, not only before the start of commercial production. Test mining, for example, could already cause significant harm which may require the use of the Environmental Compensation Fund. But if a Contractor only pays into the Environmental Compensation Fund just before commencing commercial production, then the Fund may be largely empty during the test mining phase. That means, if harm is caused and the

Contractor is unable to pay, there may be no funds to pay compensation to the common heritage of humankind. Germany believes this would not be an acceptable situation. Hence it is important that paragraph 1 requires payment prior to the commencement of activities under an Exploitation Contract.

- Para (a)alt and (c)alt have merit but should be copied into DR 54. They appear out of place here as they do not concern funding sources.