

Textual Proposal received from the floor during Part III of the 28th session.

Regulation 63

Germany

Suggested text

“Any incentives introduced by the Authority shall ensure that: (i) Contractors are not subsidized so as to be given an artificial competitive advantage with respect to land-based miners; (ii) Contractors are incentivized to go beyond their existing contractual obligations and good industry practice, in particular in the context of environmental performances, and fully reflect any impacts on ecosystem services and the natural capital; and (iii) are fully compatible with the policies and principles under Regulation 2.”

Rationale

We agree with the inclusion of the Economic Planning Commission and its role in providing recommendations on incentives, as this is clearly anticipated under Article 13, paragraph 14 of Annex III to the Convention. In this respect, we echo what Costa Rica said.

We also welcome the proposed text that refers to Standards and Guidelines, and we welcome the phrase “including financial incentives”.

Germany proposed replacing the phrase “to further” with the phrase “limited to” when referring to Article 13(1) of Annex III to UNCLOS, as we believe that the role of incentives must be reflected within the narrow constraints of the Convention and should only be utilized sparingly.

Moreover, if we do merge paragraphs 1 and 2 here, Germany can support reproducing the exact language from Article 13(1)(d) of UNCLOS, which says that the Authority shall “provide incentives on a uniform and non-discriminatory basis for contractors to undertake joint arrangements with the Enterprise and developing States or their nationals, to stimulate the transfer of technology thereto, and to train the personnel of the Authority and of developing States.”

Finally, we do not support the deletion of paragraph 4 and see merit in retaining other text that has been proposed, including by Germany, and would suggest that all these ideas be reflected in one single paragraph.

We wish to reiterate that contractors should not receive any incentives or subsidies to execute any of their existing contractual obligations and should only serve to encourage contractors to go beyond what is strictly required under UNCLOS and the 1994 Agreement, particularly with respect to environmental performances (such as the use of zero-carbon fuels).