

## **DOSI intervention #1 Item 10**

### **Environmental externalities - Delivered by Beth Orcutt on 20/03/2024**

Thank you Mr Facilitator. As this is the first time that the Deep-Ocean Stewardship Initiative – DOSI – takes the floor in the 29th Session of Council, please allow us to express our gratitude to our hosts in Jamaica, and to all delegations for your hard work since the last session. DOSI would also like to express sincere thanks to the German delegation for their concept paper and side-event on environmental externalities, and to all involved in the reports and discussion on this topic.

DOSI welcomes these very important discussions about how ecosystem services are valued and included as external costs. This is essential for evaluating the value of deep sea mining, as well as how it compares to terrestrial mining, as raised by others earlier in this discussion. While we are aware of one technical report suggesting that deep sea mining is more environmentally friendly compared to terrestrial mining, we caution that there is not a scientifically-grounded consensus view of this, considering the major knowledge gaps that remain about the value of the deep sea and the challenges of comparing such different environments for impacts.

DOSI notes that calculation of ecosystem services and their value is challenging at best, in a system where a majority of the species remain undescribed and their ecological functions are mostly unknown. At a minimum, ecosystem services estimation will require robust environmental baseline data from Environmental Impact Assessments, as well as monitoring and verification data. These calculations also require definitions of permissible harm thresholds to these services. DOSI also notes that the Brander report on ecosystem services valuation highlighted major gaps in valuation efforts due to missing baseline information. For example, to date, not a single valuation has been conducted for the CCZ. DOSI agrees about the existence of these major knowledge gaps, which underpins the consistent view of DOSI that there is currently insufficient publicly available knowledge to ensure effective protection of the marine environment. Thus, DOSI thinks that proposed DR64 additions to reference to “best available science” cannot be operationalized at this time.

If the proposal is to address environmental externalities using the policy instrument of an equalization measure or environmental tax, as opposed to other instruments such as direct regulation or tradeable permits, as Dr. Brander discussed this morning, DOSI cautions that this instrument may create a false incentive that raised revenue could be used to fund mitigation strategies. To date, there is no publicly available scientific data to suggest that restoration or offsetting are viable mitigation strategies to address impacts in the deep sea. Thus, DOSI cautions Council that this policy instrument of an environmental tax may not be the preferred method to ensure effective protection of the Marine Environment.

Regardless of the policy instrument chosen, DOSI nevertheless agrees with developing valuation for ecosystem services. DOSI supports that these values should be re-evaluated over time, and not only considered when setting the exploitation contract based on the EIA related to the Plan of Work application. DOSI however seeks clarification as to the timing of such re-evaluations, and if independent experts would be used to evaluate the monitoring data and valuation assessments. DOSI also asks if the



Council would consider suspending a contract if monitoring data shows that a detrimental change in ecosystem service valuation would negate the value coming from sale of mineral resources.

DOSI reminds the Council that the three ecosystem services identified in the Brander report and proposed DR46 additions for initial focus are not exhaustive, as there are many other ecosystem services with value. For example, there are provisioning services related to fisheries, nutrient cycling as a supporting service, and habitat supporting services that have been suggested to have high value. Therefore, DOSI encourages Council to define how and when additional ecosystem services would be valued. We also caution that combining carbon emissions and carbon sequestration into one topic confuses that carbon emissions are a potential direct negative impact while carbon sequestration is a beneficial service that could be lost. We suggest rewording this provision to make the distinction clear.

Finally, DOSI would like to take this opportunity to invite all delegates to a complementary discussion, which will take place tonight, starting at 7pm, at the Pegasus' Talk of the Town Room on the topic of "What Does the Deep Ocean Do For You?". We will provide some information about valuing ecosystem services, which is relevant to the topic under discussion.

Thank you