



**DRAFT DECISION OF THE COUNCIL OF THE INTERNATIONAL SEABED AUTHORITY RELATED TO THE COMMISSIONING BY THE SECRETARIAT OF TWO STUDIES ON THE INTERNALIZATION OF ENVIRONMENTAL COSTS OF EXPLOITATION ACTIVITIES IN THE AREA INTO THE PRODUCTION COSTS OF MINERALS FROM THE AREA - ISBA/27/C/CRP.2
JOINT PROPOSAL SUBMITTED BY COSTA RICA AND GERMANY (Delivered on 28.07.2022)**

Thank you Mr President

The Deep-Ocean Stewardship Initiative would like to thank Costa Rica and Germany for the submission of this proposal requesting two studies on environmental costs and values, as well as incentivisation of good contractor behavior, related to exploitation activities in the Area, which we wholeheartedly support.

At this point, we would like to remind the Council of the numerous essential and valuable ecosystem functions and services that the ocean, including the deep ocean, provides to all of humankind. These include, but are not limited to:

- climate regulation - (via methane and CO2 sequestration);
- regeneration of nutrients that permit ocean productivity;
- fish and shellfish for food;
- waste absorption (via metabolic activity of various biological organisms);
- genetic resources with a potential for pharmaceutical, industrial, and/or biomaterial benefits;
- and cultural value including historical archives, plus educational, scientific, entertainment, emotional, stewardship and existence value for people worldwide.

In addition to this, it should not be forgotten that biodiversity has intrinsic value.

In our view, these are substantial benefits to all (hu)mankind that will be degraded and damaged by the scale of deep-sea mining activities proposed, and whose costs, therefore, must not be ignored or borne by society. As such, ecosystem services and natural capital should be taken into account when evaluating the internalization of costs associated with the environmental externalities.

We have a few concerns about the second study, on incentives for contractors exceeding their obligations proposed. The proposal states "The study shall use the production and dispersion of sediment plumes, noise emissions, and the discharge of waste water from the mining platform as examples of environmental impacts inflicted upon the Area and be premised on the assumption that contractors who exceed the requirements of the Convention," DOSI queries whether this means that these are taken as "exceeding obligations"? In our expert opinion, it should be a minimum requirement that contractors seek to lower the environmental impact of their activities as much as possible.

We also note that light pollution and habitat loss from the destruction of the seafloor have not been included.

We also wish to underscore the importance in acknowledging that there will likely need to be additional scientific research required to further refine that valuation, as well as what actions will be most effective for contractors to improve their environmental protection practices. Finally, DOSI supports the proposed process being undertaken



via a transparent open worldwide tender, with awarding by independent and credible institutions. We recommend you seek input from ecological economists, in particular - noting this is a different discipline from environmental economists.

Thank you, Mr President