



Template for the review of the draft standards and guidelines associated with the Draft regulations on exploitation of mineral resources in the Area

I. Background

1. The Draft regulations on exploitation of mineral resources in the Area ([ISBA/25/C/WP.1](#)) require that certain issues are addressed in accordance with, or taking into account, standards and guidelines to be developed by the organs of the Authority. The standards will be adopted by the Council and will be legally binding on Contractors and the Authority, whereas the guidelines will be issued by the Legal and Technical Commission or the Secretary-General and will be recommendatory in nature.
2. Stakeholders consultations are an integral part of the process decided upon by the Commission for the development of the standards and guidelines ([ISBA/25/C/19/Add.1](#)).
3. The Legal and Technical Commission will consider the comments received through the stakeholders consultation at its next session.
4. The drafts include a cover page containing substantive background and contextual information on the approach taken by the Commission in developing each standard and guidelines. Review comments are not being sought on this background information.
5. Issues of format and consistency across the standards and guidelines will be reviewed by the secretariat and Commission once the content of the various standards and guidelines is finalized following stakeholders consultations.

II. Submitting Comments

6. To ensure that your comments are given due consideration, please send them by e-mail to ola@isa.org.jm, at your earliest convenience but **no later than the date announced on the ISA website for the relevant draft standards and guidelines**.
7. When submitting comments, please adhere to the following guidance as much as possible:
 - a. Please provide all comments in writing and in an MS Word .doc or .docx format using the table provided below.
 - b. The table format allows for an unlimited number of comments to be added. To add more comments, you may add more rows.

- c. Please provide full contact information for the individual/Government/organization submitting the comments.
 - d. Please avoid commenting on issues related to format, grammar, spelling or punctuation, unless it affects the overall meaning of the text, as the document will be formatted and edited when the final draft is prepared.
 - e. To facilitate the revision process please be as specific as possible in your comments. In areas where you feel additional or alternative text or information is required, please suggest what this text may look like or what information should be included.
 - f. Text may be copied from the draft into the table if stakeholders wish to use "track changes" in editing text (this is encouraged to ensure accuracy and avoid numbering errors).
 - g. If you refer to additional sources of information, please include these with your comments when possible or provide a complete reference or hyperlink.
 - h. All review comments will be posted on the ISA website, unless otherwise requested by the submitting entity.
8. Should you have any questions regarding the review process, please contact ola@isa.org.jm.

III. Template for Comments

- 9. Please use the review template below when providing comments.
- 10. Line and page numbers have been provided in the drafts. Please use these as a reference as illustrated in the table below.

TEMPLATE FOR COMMENTS

<i>Document reviewed</i>	
Title of the draft being reviewed:	Draft standards and guidelines on the form and calculation of an environmental performance guarantee
<i>Contact information</i>	
Surname:	Bosio
Given Name:	Daniele
Government (if applicable):	Italy
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General Comments		
<p>Italy is of the opinion that a financial guarantee covering the premature closure of exploitation activities, including the removal of equipment, post-closure monitoring and management of residual environmental effects, is necessary.</p> <p>However, these draft standards and guidelines do not consider the circumstance under which the guarantee would not be sufficient because the estimated costs were lower than the actuals. For instance, residual environmental effects cannot be forecasted with certainty unless the decommissioning and closure takes place.</p>		
<p>There are still proposals in Draft regulation by which response and remediation of an incident should be covered by the guarantee. If so, the way in which it is calculated should be accordingly revised. It would be better to first agree on the purpose of the guarantee before engaging in further analysis.</p>		
<p>It is held that ‘the calculation and cost estimation are validated independently’. By whom? Is a register needed in this respect?</p>		
<p>Mention should be made of the necessity to possibly revise the amount of the guarantee: as it can take more than 5 years to proceed to commercial exploitation after a Plan of Work (PoW) has been adopted, economic and market conditions should be considered from time to time.</p>		
Specific Comments		
Page	Line	Comment
5	133-134	What criteria should the LTC consider to determine whether the applicant used ‘robust cost estimation’? It is these criteria that standards should clarify.
6	136-137	How to evaluate ‘the greatest reasonably credible costs?’ An indication should be offered.
6	155-157	Which Authority, Organism or International Body does validate the validator? Criteria to define a “Validator” and whom can be assigned the role shall be defined in the guidelines. If a register of Validators is not in place by the time of submission, the costs implicated with the evaluation with no prejudice and partiality of the Validation Statement and Validator competence and independence would need to be included in the Plan of Work application fee payable by the Contractor.
14	381-388	Minimum requirements of the bank financial capacity and stability, such as the Common Equity Tier 1 ratio, should be incorporated in the guidelines. This is required to protect the Authority from bank collapses or financial disruptions.

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