

22 March 2022 afternoon

Earthworks Intervention Open-Ended Working Group

We'd like to thank Professor Roth once again for an informative and stimulating presentation which has led to robust discussion. Amongst other things, he posed the question in his presentation that these negotiations should not only take into consideration of what's fair to the ISA, but what is fair to all stakeholders. However, the discussion has not been as broad as we would have hoped.

Many scientists are concerned that deep-sea mining would "direct loss of unique and ecologically important species and populations...many before they have been discovered and understood". This is a quote from a statement signed by over 600 scientists and policy-makers worldwide to date (<https://www.seabedminingsciencstatement.org/>)

There is a significant risk of species extinctions if nodule mining is permitted by the ISA in the next few years. What if there are stakeholders who don't think it is fair that a company or country is given a license to mine that risks driving species extinct on our global commons?

In the spirit of trying to put financial numbers to the discussion as discussed by a number of States yesterday, let's say somehow you were able to query a statistically significant, representative sample of the public as stakeholders about this and one out of seven, equivalent to 1 billion people, said that they found it unacceptable. So then let's say you offer one dollar a year for the duration of a nodule exploitation or mining license to the equivalent of one in seven people worldwide that the results of the survey determined are concerned. Even if they would accept such a minimal amount as "fair compensation" for the risk of species extinction that would amount to a billion dollars a year. What if they demanded more as "fair" compensation – 10 or 100 dollars each per year. The latter would require 100 billion dollars from the ISA in compensation per year.

While this may seem simplistic, work has been done along these lines, for example on public valuation of nature as part of the work on natural resource economics and management, bioeconomic modelling, and ecosystem services and values by Claire Armstrong at Arctic University in Norway.

I hope it illustrates the point that if you are talking about fairness to stakeholders and the benefit to mankind as a whole you really need to consider these terms broadly and not exclusively in financial or monetized terms. On the question of extinction, for example, it is important to acknowledge that when species go extinct, they are extinct for everyone and for future generations. All of us are stakeholders when it comes to the question of species extinction.

To conclude, the discussions on the royalty regime to date in our view have been far too narrowly focused on who gets to make how much money or profit off mining the deep sea and what the contractors, investors and/or sponsoring states get vs the ISA. But even on financial terms alone, the "return to mankind as a whole" of nodule mining strikes us as being of incredibly negligible benefit to humankind, compared with the likelihood of significant, negative, and likely permanent and irreversible downside risk to species, biodiversity, ecosystem services being quite high both to humankind and the planet as a whole. In our view this calls into question whether states collectively should agree to any mining in the Area under these circumstances, if the externalities cannot be eliminated and humankind as a whole does not truly benefit from activities authorized by the ISA.

