

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27<sup>TH</sup> SESSION:  
COUNCIL - PART II**

***Informal Working Group - Environment***

*Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to [council2022@isa.org.jm](mailto:council2022@isa.org.jm).*

- 1. Name(s) of Delegation(s) making the proposal: Mexico**
  
- 2. Please indicate the relevant provision to which the textual proposal refers.**  
Regulation 56
  
- 3. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.**

The Fund [shall adhere to the polluter-pays principle and] will consist of, but not be limited to, the following monies:

- (a) The prescribed percentage or amount of fees paid [by Contractors] to the Authority;
- (b) The prescribed percentage of any penalties paid [by Contractors] to the Authority;
- (c) The prescribed percentage of any amounts recovered by the Authority by negotiation or as a result of legal proceedings in respect of a violation of the terms of an exploitation contract;
- (d) Any monies paid into the Fund at the direction of the Council, based on recommendations of the Finance Committee;
- (e) Any income received by the Fund from the investment of monies belonging to the fund;
- [\(f\) An annual levy paid by Contractors to the Fund; and](#)
- [\(g\) The prescribed contributions paid by sponsoring States to the Fund.](#)

- 4. Please indicate the rationale for the proposal. [150 word limit]**

The financing sources of the ECF shall consider the quotas of the sponsoring States and the possibility of contributions from other producing States.

According to the "polluter pays" principle, and considering that the ECF is of a residual nature, it is advisable that Contractors, in addition to the percentage established in the financial mechanism, pays an anual levy to the ECF<sup>1</sup>.

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<sup>1</sup> See Report of the Chair on the outcome of the second meeting of the open-ended working group of the Council in respect of the development and negotiation of the financial terms of a contract under article 13, paragraph 2, of annex III to the United Nations Convention on the Law of the Sea and section 8 of the annex to the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, International Seabed Authority, ISBA/25/C/32, 25th session, Council session, part III, 15 July 2019.

ECF cannot rely only on Contractors contributions, that shall suppose lack of funds in the initial years of operation, but to additional contributions made by Sponsoring States as a common practice a it is reflected for the IOPC funds.