

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH 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.

1. Name(s) of Delegation(s) making the proposal:

The Pew Charitable Trusts

2. Please indicate the relevant provision to which the textual proposal refers.

DR 54

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 facilitator’s proposed amendments are reflected in **red**.
- Our proposed amendments are indicated as in-line edits in **blue**. Proposed deletions of text proposed by the facilitator appears in strikethrough and **bold**.

2. The rules and procedures of the Fund shall be established by the Council on the recommendation of the Finance Committee ~~before the commencement of commercial activities~~ [before the commencement of Commercial Production] [prior to the grant of an exploitation contract under these regulations] [before the approval of a first plan of work for exploitation].

2alt The rules and procedures of the Fund shall be established by the Council on the recommendation of the Finance Committee before any exploitation contract is granted, and those rules and procedures shall include:

- a. a mechanism for financing the funds in accordance with regulation 56, including replenishment upon disbursement;
 - b. a description of how the funds and any interest generated will be managed and by whom;
 - c. the process for accessing the funds;
 - d. the type of damages and purposes eligible for claims against the funds;
 - e. the standard of proof required for claims against the funds;
 - f. a policy on refunds of Contractor payments into the funds;
 - g. a process for determining disbursements or refunds from the funds; and
 - h. the promotion of the participation of affected persons or other Stakeholders in decisions about disbursement of funds.
3. The Secretary-General shall, with support from the Finance Committee, within 90 Days of the end of a Calendar Year, prepare an independently audited statement of the income and expenditure of the Fund for circulation to the members of the Authority

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

At the March and July Council session, member States made the point that there is an urgency to elaborate on the rules and procedures of this Fund and that more prescriptive direction in the Regulations is needed. With that said we propose alternative paragraph to paragraph 2 specifying that these rules and procedures would include:

- financing of the fund,
- management of the fund,
- claims made by injured parties against the fund,
- disbursements or refunds from the fund, as well as
- replenishment of the fund after payments out.