



Council

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Agenda item 11

Draft regulations on exploitation of mineral resources in the Area

Decision of the Council of the International Seabed Authority relating to the commissioning by the secretariat of a study on the internalization of environmental costs of exploitation activities the Area into the production costs of minerals from the Area

The Council of the International Seabed Authority,

Noting that the open-ended working group of the Council, created in July 2018 to discuss a financial model and payment mechanism at its fourth meeting, suggested that a study be carried out on environmental costs of exploitation activities, including how to internalize the costs associated with environmental externalities, including the valuation of ecosystem services and natural capital,

Emphasizing that neither the present decision nor the outcome of the requested study does in any way prejudice the decision of the Council, to be taken at a later stage, whether the exploitation regulations shall include a mechanism for the internalization of environmental costs,

1. *Requests* the Secretary-General to commission an independent study to assess the value of ecosystem services and natural capital of the Area, as well as of the potential environmental costs of potential activities in the Area, including by incorporating estimates of monetary values of effects on ecological functions and ecosystem services, and decides that:

(a) The study should include a current valuation of the deep sea and related ecosystem services and natural capital and should cover direct and indirect environmental impacts that will occur on the seafloor, the subsoil thereof and the water column;

(b) The determination of future losses shall account for the concern of current and future generations;

(c) The study should include as an appendix a proposed methodology for an economic valuation of the environmental costs of an individual mining concession so



that such a methodology can be applied by applicants for exploitation contracts and the results delivered as part of their plan of work;

(d) The study shall be commissioned by open worldwide tender with one month's notice, to be published on 31 December 2022 at the latest. Information on the offers received, the selection process and the rationale for the option chosen shall be published on the Authority's website;

(e) The study shall be awarded to one or more independent and credible institutions, preferably universities or academic institutes with expertise in environmental economics, finance and accounting that have no financial interest in any activity relating to exploration and exploitation in the Area;

(f) The study shall be completed and published on the Authority's website before the end of May 2023.

*296th meeting
11 November 2022*
