

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:
COUNCIL - PART I**

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

1. Name of Working Group:

Open-ended Working Group on financial terms of a contract

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

The Pew Charitable Trusts

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

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4. 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.

2. Such annual reports shall be in accordance with relevant Standards and Guidelines and include:

- a. Details of the Exploitation work carried out during the Calendar Year, including maps, charts and graphs illustrating the work that has been done and the data and results obtained, reported against and noting variance from the approved Plan of Work;
- b. The quantity and [quality] [dry metal content] of the Resources [recovered] [extracted] during the period and the [volume] [tonnage] [in dry metric tons and wet metric tons] of Minerals and metals [produced] [recovered], marketed and sold during the Calendar Year, reported against the [Plan of Work] [Mining Workplan];
- c. Details of the equipment used to carry out Exploitation, and in operation at the end of the period, if different from the Plan of Work;
- d. An annual financial report, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, of the actual and direct Exploitation expenditures, which are the capital expenditures and operating costs of the Contractor in carrying out the programme of activities during the Contractor’s accounting year in respect of the Contract Area, together with an annual statement of the computation of payments paid or payable by the contractor to the Authority, governments, state enterprises, and other contractors, as well as payments and other forms of financial benefit received by the contractor from Sponsoring States, and reported against the Financing Plan;
- e. ~~Health and safety information, including details of any accidents or Incidents arising during the period and actions taken in respect of the Contractor’s health and safety procedures; Information on compliance with health, labour and safety standards;~~

(e) bis Details of any accidents or Incidents arising during the period

- f. Details of training carried out in accordance with the Training Plan;
- g. The actual results obtained from environmental monitoring programmes, including observations, measurements, evaluations and the analysis of environmental parameters, reported against, where applicable, any criteria [and thresholds pursuant to the applicable Standards, and against the Environmental Management and Monitoring Plan, and taking into account environmental objectives pursuant to the applicable Regional Environmental Management Plan] [, technical Standards and indicators, including environmental objectives

- ~~and standards, pursuant to the applicable Regional Environmental Management Plan and the Environmental Management and Monitoring Plan~~, together with details of any response actions implemented under the plan and the actual costs of compliance with the plan;
- h. A statement that all risk management systems and procedures have been followed and remain in place, together with a report on exceptions and the results of any verification and audit undertaken internally or by independent competent persons, ~~appointed or employed by the Contractor~~;
 - i. Evidence that insurance is maintained, including the amount of any deductibles and self-insurance, together with the details and amount of any claims made or amounts recovered from insurers during the period;
 - j. ~~[Details of any changes made in connection with subcontractors engaged by the Contractor during the Calendar Year;]~~
 - k. The results of any Exploration activities, including updated data and information on the grade and quality of Resources and reserves identified in accordance with the International Seabed Authority Reporting Standard for Reporting of Mineral Exploration Results Assessments, Mineral Resources and Mineral Reserves ~~[and applicable Standards and Guidelines]~~;
 - l. A statement that the Contractor's Financing Plan is adequate for the following period; and
 - m. Details of any ~~[proposed] significant~~ modification to the Plan of Work ~~[and the reasons for such modifications]~~.
 - n. A copy of the annual audit report pertaining to the Contractor's Environmental Management System.
 - o. A report of all consultations carried out with, coastal State, other marine users or other Stakeholders.
 - p. A summary of any complaints or whistle-blowing reports received during the reporting period, and how these have been dealt with.
 - q. A summary of any performance assessments pursuant to regulation 52, or review of activities pursuant regulation 58 during the reporting period.
 - r. A summary of inspection reports, inspector instructions, compliance notices, monetary penalties or any other regulatory monitoring or enforcement action taken by the ISA or the sponsoring State in relation to contractor compliance during the reporting period, and how these have been dealt with.
 - s. Evidence that the Environmental Performance Guarantee has been paid or maintained in accordance with the contract terms.
 - t. A summary report of the discharges registered in accordance with regulation 50(5).
 - u. The planned date of Closure, and if this has changed, why - in accordance with regulation 59.

~~[(2)bis. The Commission shall review annual reports received, and shall prepare and submit to the Council a summary report which shall record any trends or findings from the review, and any related recommendations for the Council's consideration. The report should include any information relevant to the formulation by the Authority of rules, regulations and procedures concerning protection of the marine environment and safety. The Secretariat shall arrange for the effective management of the submitted information in order to overcome existing gaps in knowledge concerning the marine ecosystems including their sensitivity and resilience, the determination of environmental quality standards and appropriate exploitation equipment.]~~

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

We have noticed several reports or documents that are required to be reported by contractors in different parts of the regulations, that are not included in this list of annual reporting requirements, but we believe they should be and have added them above.

Regarding 2(bis), while aiming at an important point about the ISA using the information it receives from annual reports, in a strategic way as well as for monitoring individual contractors, we think in this case that its drafting is too specific to marine ecosystems. We would suggest instead a broader formulation which will then be reviewed by the Council taking into account recommendations of the Commission.