

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28<sup>TH</sup> 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](mailto: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.**

DR 63

**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.**

1. The Council may, taking into account the recommendations of the Commission and the Economic Planning Commission, in accordance with the Standards and taking into account the Guidelines, provide for incentives to Contractors, including financial incentives, on a transparent, uniform and non-discriminatory basis, ~~to Contractors~~ to further the objectives set out in article 13 (1) of annex III to the Convention.

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

UNCLOS Annex III Article 13 paragraph 14 requires recommendations of the Economic Planning Commission and the LTC before rules, regulations and procedures are adopted in relation to incentives to further the objectives set out in article 13(1). As such we suggest the Economic Planning Commission should be added in to DR63(1).

We agree with the second bullet-point contained in the Facilitator's text-box. Our reading of Article 13 paragraph 14 of Annex III is that the incentives referred relate to joint ventures with the Enterprise only. If this is correct, then we would also suggest merging paragraphs 1 and 2 and clarifying that financial incentives are only permitted to further a subset of the objectives listed in Article 13 paragraph 1 of annex III. In merging these two paragraphs we would also suggest deletion of 'Furthermore' in DR63(2), as this seems to indicate incentives for joint arrangements with the Enterprise are further and additional to another type of incentive that may be offered, which we do not consider to be an accurate reading of UNCLOS.

We also support retaining the reference to Standards and Guidelines as was mentioned by several other delegates during the July meeting.