

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH 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(s) of Delegation(s) making the proposal:

The Kingdom of the Netherlands

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

DR54

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.

Track changes in green is the original text. The track changes highlighted in yellow represent our suggestions.

Regulation 54 [IWG ENV]

Establishment of an Environmental Compensation Fund

2. The rules and procedures of the Fund shall be established by the Council on the recommendation of the Finance Committee before the approval of a first Plan of Work for an Exploitation Contract~~beginning of Commercial Production~~ under these Regulations. Those rules and procedures shall include, inter alia:

(a) A mechanism for financing the funds in accordance with Regulation 56, including replenishment upon disbursement;

(a) bis The minimum size of the fund;

(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 in accordance with Regulation 55;

(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.

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

The Environmental Compensation Fund is an essential element in protecting and preserving the marine environment. Keeping this in mind while taking into account that it is a new Fund to be established, the Kingdom of the Netherlands holds the position that the rules and procedures of the Fund shall be established before the approval of the first Plan of Work for an Exploitation Contract.

With respect to paragraph 2(f) and 2(g): Our understanding of the Environmental Compensation Fund is that it works similar to an insurance. Central to such a system is the spreading of loss amongst participants to ensure the Fund can pay when necessary. Therefore, it would be undesirable to provide refunds from the Fund. We also would like to highlight that it is unclear to us how refunds would work in practice.