

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART II**

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.im.

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.

81

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.

2. The Council, based on the recommendations of the Commission and following a review under paragraph 1, may decide to recommend the Assembly approve adjusting the existing system of payments or introduce a new system of payments, taking into account the level of maturity and development of Exploitation activities in the Area, as well as the principles under Article 13 of Annex III to the Convention and Section 8 of the Agreement.†

4 bis. In making a recommendation pursuant to paragraph (2), the Commission and the Council shall:

(a) take into account the sufficiency of the benefits that are being generated for humankind as a whole in return for the loss of the common heritage of humankind;

(b) reflect the objectives contained in Article 13, Annex III of the Convention, including to ensure optimum revenues for the Authority from the proceeds of Commercial Production;

(c) follow the process and consider relevant matters as set out in the applicable Standard; and

(d) be informed by consultations with relevant recognized independent experts and Stakeholders, and the advice of the Economic Planning Commission and Finance Committee.

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

We question whether it would be lawful for a payment system and royalty rate set in the Regulations (which have been approved by the Assembly), to be amended only by the Council. Assuming this is the case, it seems that changes to rates and systems for existing (and possibly future contracts) should apply only after the Assembly makes its decision.

Along these lines, and to guide lawful and accountable decision-making, we had supported language previously included in the draft text regarding objectives by which recommendations for the review and any adjustment of the system may be made, and the inputs upon which the LTC and Council’s recommendation should be based. We do not recall any opposition to those provisions and suggest they are reinstated (e.g. as a new paragraph 4 bis), or moved to Standards.