

# Written submission and textual proposal **from INDIA** on the draft Financial rules governing the funding of the COP to the BBNJ Agreement

27 August 2025

India expresses its appreciation to the Co-Chairs and DOALOS for the preparation of the draft and would like to put forward the following suggestions on the draft "Financial rules governing the funding of the COP to the BBNJ Agreement."

## **1. Scope (Rule 1.1–1.2)**

India is of the view that this section on Scope should explicitly clarify that the financial rules shall not prejudice the sovereign right of Parties, particularly developing country Parties, to determine the extent, timing and modalities of their financial contributions, consistent with Article 52 of the Agreement.

With regard to the text under **Rule 1.2**: we would like to state that in shaping the financial rules, it is essential to safeguard the principle of financial independence of the BBNJ Agreement. While Option A provides predictability through the automatic application of the UN Financial Regulations and Rules, it risks limiting the flexibility of the COP by linking the Agreement too closely to UNGA budgetary precedents. This may not adequately reflect the specific needs of developing countries.

We therefore support Option B, based on the CBD model, as it offers a balanced approach. While it retains the safeguards of the UN Financial Regulations and Rules through the Trustee arrangement, it gives the COP necessary space to design financial modalities to suit the objectives of this Agreement. This flexibility is crucial for mobilizing diverse sources of finance and for establishing dedicated mechanisms that can address the special circumstances of developing countries, particularly in relation to capacity building, technology transfer, and effective participation.

## **3. Budget (Rules 3.1–3.10)**

**3.6:** With respect to supplementary budgets, we are of the view that such proposals should be initiated solely by the Secretariat or the COP, and individual Parties should not be called upon to submit supplementary budget proposals.

## **4. Funds (Rules 4.1–4.6)**

**4.1:** India supports Option B, which designates a COP-appointed Trustee, based on the CBD model. This model gives the COP greater control over the General Trust Fund.

**4.4 bis / ter / quarter:** India supports a strong voluntary trust fund for developing countries. Regarding funding for Indigenous Peoples and local communities, specific criteria and modalities should be clearly defined by COP, to avoid any parallel claims.

## **5. Contributions (Rules 5.1–5.9)**

**5.1(a):** India supports a consensus-based scale of assessments, as outlined in rule 5.1(a). This rule proposes an indicative scale adopted by consensus and based on the United Nations scale of assessments.

**5.3(a):** For the payment of assessed contributions, India supports Option A under rule 5.3(a). This option, based on the Basel/Rotterdam/Stockholm/Minamata models, sets a due date but offers flexibility, including the possibility of payment in installments. This is in contrast to the stricter deadlines of Option B, which is based on the ISA model.

**5.7:** India also supports Option D for **Rule 5.7**, which deals with the investment of contributions not immediately required. This option prioritizes minimizing risk to the General Trust Fund and ensuring liquidity, while also aiming for the highest reasonable rate of return in a manner consistent with United Nations principles.

## **6. Auditing and Accounts (Rules 6.1–6.6)**

India prefers Option I, along with sub-option B in **Rule 6.2**, which relies on the established UN audit framework, while also providing annual certified accounts to the COP through the Trustee. We believe that this approach would minimize administrative burden, avoids duplicative costs, and better serves the interests of developing countries that prioritize fiscal prudence and predictable procedures.

Whereas the ISA model under Option II, requires appointing an independent auditor, creating additional procedures and costs, which may place unnecessary burdens on developing countries and risk duplication of UN mechanisms.

## **7. Administrative Support Costs (Rule 7.1–7.2)**

**7.1:** India supports Option A, which provides for reimbursement to UN entity/Trustee on agreed terms.

## **8. General Provisions (Rule 8.1–8.2)**

**8.1:** India supports the consensus-based adoption of amendments under **Rule 8.1**, in line with Article 47, paragraph 4 of the Agreement. However, we propose that the rule should expressly clarify that such amendments shall not create retroactive financial obligations for Parties.

Thank you.