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Summary of the Second Session of the Preparatory Commission for the Entry into Force of the Agreement on Marine Biodiversity of Areas beyond National Jurisdiction: 18-29 August 2025

"Things are never as good or as bad as they seem."

Co-Chairs Janine Coye-Felson (Belize) and Adam McCarthy (Australia) used these words to summarize progress during the second session of the Preparatory Commission (PrepCom II) for the entry into force of the Agreement under the UN Convention on the Law of the Sea (UNCLOS) on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ Agreement).

While some delegates focused on progress on the many agenda items and others were more concerned about outstanding work, everyone was on the same page regarding the urgency of the task at hand. Following two more ratifications by Cabo Verde and Saint Kitts and Nevis, announced during PrepCom II to enthusiastic applause, only five more remain until the historic moment when the BBNJ Agreement enters into force. Realistic estimates, including by the Co-Chairs, emphasized that this may take place prior to PrepCom III, scheduled for 23 March – 2 April 2026.

These developments made delegates even more eager to address the "matters to be addressed by the Conference of the Parties (COP) at its first meeting and additional matters, as identified by the PrepCom," the main agenda item at PrepCom II. Deliberations were organized under three clusters: governance; operation of the Clearing-House Mechanism (CHM); and financial rules, resources, and the financial mechanism.

In-depth discussions and negotiations, including in parallel sessions, allowed progress on many fronts. Comprehensive exchange of views on the rules of procedure (RoP) for the COP will allow textual negotiations at PrepCom III on one of the more technical and challenging parts of the negotiations. Similarly, progress on draft terms of reference (ToR) of the scientific and technical body (STB) empowers the Co-Chairs to circulate draft ToRs for all subsidiary bodies (SBs) under the Agreement during the intersessional period.

Discussions on the functioning of the Secretariat revealed a way forward, including for the selection of the seat of the Secretariat. Exchange of views on cooperation with relevant legal instruments and frameworks and relevant global, regional, subregional, and sectoral bodies (IFBs) will allow a draft decision to be developed for further consideration based on the interventions and written comments submitted.

Other issues will need additional consideration, including those on financial resources and mechanism. The need for balance in the financial architecture of the Agreement was underscored by many delegates, who were unable to reach consensus on elements for provisional guidance to the Global Environment Facility (GEF) regarding its ninth replenishment period.

While some dismissed concerns about reaching consensus, noting that "with more time our differences are not insurmountable," others emphasized that a clear process toward operationalizing the special fund can go a long way in bridging existing differences.

Discussions on the CHM generated additional concerns. While many delegates recognized the importance of the CHM in promoting implementation and transparency, as well as the urgency of its establishment, discussions on draft ToR for an informal expert group on the technical aspects of the operationalization of the CHM proved challenging. Delegates were unable to agree on the group's composition and on a proposal to introduce an objection procedure, among other issues.

Once again some delegates dismissed concerns, noting that lack of agreement was due to lack of time, but others expressed skepticism, noting that "if we cannot agree on the composition of a time-bound expert group, we may run into some problems discussing the composition of more permanent bodies."

Most participants at PrepCom II agreed that, all things considered, the session was successful. One of its important contributions was that it set a clear path for the intersessional period toward a crucial PrepCom III and an even more significant COP1, which may take place toward the end of 2026.

PrepCom II convened at UN Headquarters in New York from 18–29 August 2025, bringing together more than 200 representatives of governments, civil society, and intergovernmental bodies with links to the process.

PrepCom II Report

On Monday, 18 August, PrepCom Co-Chair Adam McCarthy (Australia) welcomed participants, highlighting progress made during PrepCom I, which took place from 14–25 April 2025, and invited delegates to further advance discussions. He announced that the dates for PrepCom III will be 23 March – 2 April 2026, noting that issues of overlaps with other multilateral meetings had been resolved.

Co-Chair Janine Coye-Felson (Belize) underscored the expectation that the Agreement will enter into force in late 2025 or early 2026, meaning that COP1 could take place in the latter half of 2026. Co-Chair Felson highlighted intersessional work

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and the positive momentum for timely entry into force of the BBNJ Agreement, created during the Third UN Ocean Conference (UNOC3), held in Nice, France, from 9–13 June 2025.

Co-Chair McCarthy reiterated that "as we now have a much better sense of the finish line," the urgency to conclude the work in a timely manner is greater, and called for commitment, flexibility, and spirit of consensus.

Elinor Hammarskjöld, Under-Secretary-General for Legal Affairs and UN Legal Counsel, emphasized that UNOC3 offered a unique opportunity to reaffirm the role of multilateralism in addressing Ocean-related pressures. She reminded delegates that the BBNJ Agreement will close for signature on 30 December 2025 and invited those planning to deposit instruments of ratification during the high-level week of the UN General Assembly to make the necessary arrangements. She highlighted the presence of civil society at PrepCom II, in particular the record number of youth delegates.

Organizational Matters

Agenda: On Monday, 18 August, Charlotte Salpin, Meeting Secretary, provided a summary of the documents available on the conference website. Co-Chair Felson recalled decisions adopted at the organizational session in June 2024, including on the composition of the Bureau of the Commission, stressing that the Commission took note that, on an exceptional basis and without setting a precedent, the three seats of the Asia-Pacific region on the Bureau would rotate among nine states, and welcomed Fiji, the Republic of Korea, and Viet Nam as Bureau members for PrepCom II.

The Co-Chairs reminded delegates that the Commission had agreed that there would be no general or opening statements and that the agenda (A/AC.296/2025/1) and programme of work (A/AC.296/2025/2) adopted at PrepCom I apply to the work of the Commission and are not specific for each session.

Organization of work: Discussing the proposed organization of work, the Co-Chairs emphasized the need for transparency, inclusivity, and meaningful participation, stressing that a maximum of two parallel meetings is envisaged. They underscored that all issues on the agenda will be equitably considered at PrepCom II and noted that discussions on the three clusters of issues identified in the organizational meeting will take place in informal working groups. They highlighted the guiding questions prepared by the Co-Chairs for the informal working groups, noting they would facilitate and focus the discussions. Delegates approved the proposed organization of work.

Credentials: On Monday, 18 April, Co-Chair McCarthy reminded delegates that PrepCom I had decided to postpone the appointment of members of the credentials committee and suggested further postponement to focus on substantive issues. Delegates agreed to this proposal.

Rules of Procedure for the Conference of the Parties

On Monday, 18 August, Co-Chair Felson introduced the revised aid to discussions and negotiations prepared by the Co-Chairs on the RoP for the COP (A/AC.296/2025/12). She clarified that the revised text offers streamlined options in cases where input received moved in the same direction, whereas alternative options were included on issues with divergent positions. Co-Chair McCarthy highlighted the guiding questions, inviting delegates to focus on the elements that can be accepted, as included in the revised aid to discussions, and those that are missing or require further discussions.

Delegates expressed satisfaction that most of the RoP follow a familiar format to the UN General Assembly (UNGA) and multilateral environmental agreements, adding that some require further work. Many highlighted general principles, such as inclusivity, equity, transparency, and flexibility, and stressed that the revised document is mature enough for textual negotiations. They focused on, among other things:

- the place and periodicity of COP meetings with many supporting that the meetings of the COP start on an annual basis to address the increased workload before reverting to a biannual format, and others noting that further discussion on the details of the transition are needed;
- extraordinary COP meetings, with a regional group suggesting drawing from the RoP of the UNGA, which provide for convening special sessions at the request of the majority of members and set the relevant procedure, and another proposing retaining flexibility regarding the agendas of extraordinary meetings;
- modalities for observer participation, with many welcoming an inclusive process, others favoring a standardized and transparent accreditation process for categorized observers or different modes of participation based on the observers' legal status, and a delegate stressing that observer obligations, such as non-disclosure requirements, should be considered in addition to observer rights;
- modalities for virtual meetings in extraordinary circumstances with some suggesting a less prescriptive approach, emphasizing that in-person meetings must remain the norm, and others calling for defining "virtual," "online," and "hybrid," and offer clarity on the type of issues that may be considered in virtual sessions, and yet others underscoring that virtual meetings create an uneven playing field for developing countries, stressing the need to ensure equal participation; and
- rules on cooperation with other relevant IFBs, with some delegates urging flexibility in the RoP to enable effective coordination and collaboration.

Delegates further addressed:

- the need to prioritize transparency, inclusivity, and efficiency in decision-making processes, uphold the UNCLOS principles of equity and the common heritage of humankind, and fully recognize the special circumstances of small island developing states (SIDS) and least developed countries (LDCs) and the special requirements of archipelagic states;
- equitable geographical representation and gender balance in the Bureau, with some delegates emphasizing that the number of parties to the Agreement from each regional group needs to be taken into account and others supporting the allocation of Bureau seats to SIDS and LDCs;
- quorum requirements, with some stressing that the suggested two-thirds majority threshold balances legitimacy and efficiency;
- voting modalities, including on proxy voting and voting rights for members of regional economic integration organizations, with a delegate pointing to the relevant provisions of the UN Charter and many discussing a rule noting that "questions of substance shall be adopted by a two-thirds majority of the parties present and voting, and decisions on questions of procedure shall be adopted by a majority of the parties present and voting," exchanging opinions on ways to decide whether an issue is substantive or procedural;
- rules on intersessional decision making with respect to emergency measures, with some delegates underscoring their importance

and stressing that more discussion is required on the cases of application and mechanics;
- modalities for SBs' agenda setting and decision-making rules for recommendations from the SBs to the COP, with some delegates noting that when providing advice to the COP, voting is neither necessary nor desirable; and
- the need for the RoP to reflect Articles 6 (without prejudice) and 18 (area of application) of the BBNJ Agreement.

Discussions were comprehensive and addressed a variety of additional considerations, such as:
- provisions on amending the RoP, with delegates discussing relevant decision-making modalities;
- matters for consideration by the SBs, with some delegates underscoring that they should determine their own work programmes, retaining their independence and others noting that the Agreement contains different ToR for the various SBs and their *modus operandi* should be incorporated in the RoP to ensure consistency across the institutional framework;
- rules enabling the COP to set up informal or ad hoc working group as it deems necessary as well as provisions on open meetings of the SBs;
- election of officers for the SBs, with a regional group noting that Chairs should be elected by the SB members rather than the COP;
- the need to clarify the rules on proposals and amendments to proposals introduced by parties; and
- the need to facilitate the full and effective participation of Indigenous Peoples, with many delegates highlighting Indigenous Peoples as rightsholders and suggesting distinguishing their rights from those of local communities.

Observer organizations highlighted, among other things, the need for transparency and provisions on observers with modalities for such participation that "shall not be unduly restrictive in this respect." They offered detailed suggestions on the rules, including holding the COP on an annual basis for at least the first five years. They further called for provisions for intersessional decision making for urgent decisions and stringent rules for closed meetings.

Discussions continued on Thursday and Friday, 21–22 August. Delegates resumed their deliberations on meeting modalities and notification periods, observer participation, decision-making modalities, and amendments to the RoP.

Co-Chair McCarthy noted that a revised document would be developed for further consideration on the basis of discussions during the first week.

On Wednesday, 27 August, delegates addressed a revised text on draft RoP for the COP (A/AC.296/2025/CRP.3). Many delegates stressed the need to move to textual negotiations, noting that all suggestions are still included in the document. They underscored that many rules would benefit from streamlined, focused discussions, with Co-Chair McCarthy noting that, following the successful conclusion of discussions and according to the maturity of the document, a streamlined version will be produced for further deliberations at PrepCom III.

Delegates engaged in a lengthy discussion on provisions on meeting modalities, including in-person and virtual participation, meetings on emergency measures, dates, and notifications, as well as provisions on the agenda. While many reiterated their positions, some new suggestions included a streamlined proposal by a group of countries on in-person and virtual participation focusing on when virtual meetings should be held and the threshold that must be reached, procedures for virtual meetings, and modalities for decision making.

Co-Chair McCarthy invited delegates to informally work on the basis of the aforementioned proposal, which enjoyed general support. He further noted that while half of the RoP in the revised document still need to be addressed, "some of the thorniest issues have been tackled," highlighting the need for focused deliberations on provisions on observers.

On Thursday, 28 August, delegates addressed sections on representation and credentials, officers, SBs, and the Secretariat.

On officers, delegates discussed representation in the COP Bureau. They generally agreed on the need for regional balance but expressed divergent views both on the number of representatives and the explicit allocation of seats to SIDS and LDCs, with some expressing support and others noting that such allocation should be ensured through regional representation. Many delegates noted that issues related to arrears should be addressed in the financial rules, with some reiterating their objection to punitive measures.

Many delegates supported giving SBs the autonomy and independence to agree on their meeting dates and develop their programmes of work, with the COP providing the final approval. Some emphasized that consensus should be the only method to approve recommendations. Others noted that the RoP should apply *mutatis mutandis* to the SBs, further debating whether SB Chairs should have a right to vote. Regarding the bureaus of SBs, delegates discussed composition with some suggesting a light structure consisting of a Chair and Vice-Chair.

Delegates further highlighted the need for cooperation among SBs and for public meetings, with some stressing the potential need for closed sessions in exceptional circumstances.

Delegates further focused on provisions on decision making, elections, and amendments to the RoP.

On decision making, they debated among other things:
- voting rights for regional economic integration organizations, with some delegates insisting that the number of votes should be equal to the number of its members "present and voting," while others noted that the votes should be equal to the number of its members "that are parties to the Agreement," adding that this issue has been resolved in the BBNJ Agreement;
- proxy voting, with many opposing such provisions and others expressing flexibility;
- suspension of voting rights for parties in arrears, with delegates discussing whether two or four years in arrears would be the appropriate threshold and others reiterating their objection to punitive measures for parties in arrears, in particular developing countries;
- a provision noting that a two-thirds majority shall decide if all efforts to reach consensus have been exhausted, with many delegates stressing that the "advice of the President" is unnecessary in that respect;
- voting thresholds for decision making in procedural and substantive issues; and
- whether provisions on holding a secret ballot should be included.

Delegates further discussed provisions on elections; languages and audio recordings, discussing the estimated cost of maintaining video recordings of meetings; and amendments to the RoP with delegates expressing their preferences between five different options ranging from decision making by consensus to a simple majority vote.

Co-Chair McCarthy thanked all delegates for their flexibility, which allowed considering the revised document, enabling the Co-Chairs to prepare a further revised draft aid for negotiations for further consideration at PrepCom III. He highlighted that

Norway and Singapore will coordinate intersessional work on in-person and virtual participation, and on modalities with respect to emergency measures, respectively, inviting all delegates to support intersessional work.

Modalities for the Operation of Subsidiary Bodies

On Monday, 18 August, Co-Chair McCarthy introduced a matrix on the ToR and modalities for the operation of, and RoP for, the SBs established under the Agreement (A/AC.296/2025/INF/3), reminding delegates that it was prepared on PrepCom I's request. He noted that, based on the discussions, a draft model of ToR and modalities for the operation of the STB will be prepared, serving as a model for the RoP of other SBs.

Co-Chair McCarthy invited delegates to address the guiding questions on: whether the PrepCom should work toward draft ToR and modalities for all the SBs for consideration at COP1 and whether the ToR should be contained in separate documents or a single one; and elements to be reflected in a draft of ToR for the STB to be prepared by the Co-Chairs.

Some delegates stressed that the PrepCom should draft the ToR for SBs for adoption at COP1. Many expressed flexibility on the form of the documents to be developed, noting common elements across the RoP for the COP and the ToR and modalities for the SBs, while recognizing that certain elements need to be tailored.

Many supported elements included in the matrix in the draft ToR for the STB, making additional suggestions. A regional group called for separate seats for SIDS and LDCs and suggested exploring ways to incorporate the traditional knowledge of Indigenous Peoples and local communities in the modalities across all SBs.

Some called for providing flexibility to the SBs to conduct their work as they see fit, including potential virtual or hybrid meetings, as well as to establish additional regulations not covered by the RoP, as required. Others noted the need to consider the size and composition of the SBs, confidentiality, conflict of interest, transparency, relationship with the Secretariat, notifications to parties, amendments to the RoP, as well as cooperation mechanisms between them and with other bodies.

Delegates further called for striking a balance between the required expertise and financial implications, noting that the STB may invite external experts, when required. Other proposals included provisions on a silence procedure, reporting requirements, and member resignation.

Co-Chair McCarthy reiterated that a draft model of ToR and modalities for the STB would be issued by the Co-Chairs based on discussions.

On Thursday, 21 August, Co-Chair McCarthy introduced a working document circulated on Tuesday 19, containing **draft model ToR and modalities for the operation of the STB**. He emphasized that the working document will be further refined following the discussions and highlighted the intent to use the structure as a model for the ToR and modalities for the other SBs.

Co-Chair McCarthy invited delegates to focus on: whether the structure of the document is fit for purpose as a model for the other SBs; and, if the RoP of the COP were to be applied *mutatis mutandis* to the SBs, how the model ToR should be amended to accommodate that application.

Many delegates expressed support for the structure of the working document and emphasized that it is useful as a model for other SBs. They suggested, after settling on the structure, focusing on the substance of the ToR in a revised document.

Some delegates reiterated that a one size fits all approach is not desirable, calling for clarity and applicable rules for each body. A few urged further addressing the first nomination and selection procedure for the STB, underscoring the need to expediate such selection. Some delegates emphasized that the RoP and modalities for the STB should map the language of the Agreement and go no further.

A regional group suggested adding a miscellaneous section, while some delegates proposed holding meetings on emergency measures and clarifying reporting requirements. Others highlighted the need to further discuss the nature of decisions the STB is expected to take in addition to COP recommendations, the decision-making and selection processes, composition, and level of independence from the COP.

A regional group suggested exploring practical ways to embed Indigenous Peoples, local communities, and their knowledge into the STB's work. A delegate called for open participation and consensus-based decision making, pointing to the Convention on the Conservation of Antarctic Marine Living Resources as a potential model for observer participation.

Observers representing multilateral environmental agreements highlighted their relevant experiences and expertise, expressing readiness to collaborate, including sharing best practices and lessons learned. Non-governmental organizations (NGOs) emphasized that the nomination and selection processes must be completed at or shortly after COP1, suggesting specific language in that regard.

On the issue of the RoP of the COP applying *mutatis mutandis* to the SBs, and on whether and how this can be accommodated in the ToR, some delegates stressed that the *mutatis mutandis* approach should remain the starting point, adding that in areas of overlap, further consideration needs to be given to what should be included in the RoP of the COP and what should be contained in the ToR and modalities of the SBs. A regional group suggested that the RoP of the COP that are applicable to the SBs should be explicitly included in the documents containing the ToR and modalities of such SBs.

A regional group suggested keeping the procedure for amending the RoP and ToR as simple as possible. Another noted that if such contradictions arise, they can be resolved in the RoP of the COP, which is the more generic document.

Some delegates noted that decision making in the STB should preferably be by consensus. A group of countries suggested applying the rules contained in the RoP of the COP on quorum for coherence and consistency.

A delegate reiterated that all UNCLOS parties should have the right to participate in the work of the STB, deciding on the qualifications of their representatives. Another underscored the need to take into account parties' differing capacities in terms of scientific and technical experts.

Co-Chair Felson noted that delegates are generally comfortable with the structure, adding that the discussion on the content of the ToR for the STB would be held during the second week.

On Tuesday, 26 August, delegates resumed their discussion on a draft model ToR and modalities for the operation of the STB. Discussions focused on the STB's scope of work, relationship with the RoP of the COP, definitions, purpose, functions, and membership.

Some delegates called for a revised negotiating document for textual deliberations. Many stressed the need to avoid repetition and overlap, ensure cooperation and coordination between the SBs, and use agreed language from the Agreement where possible.

On the purpose of the STB, some delegates underscored that it is broader than "to provide scientific and technical advice and recommendations to the COP," as stipulated in the draft document. They highlighted relevant advice and recommendations to parties, making relevant suggestions.

Some delegates suggested reproducing the functions as included in the Agreement, noting that they are scattered across 13 articles. They debated which articles should be referenced, while others cautioned against restating the text of the Agreement in the ToR. Many insisted that reference to the full recognition of the special circumstances of SIDS and LDCs be retained.

One delegate proposed placing all functions in an annex. Another suggested a provision on respecting the authority and not undermining the functioning of IFBs. Yet others put forth references to the application of the precautionary approach in the absence of scientific certainty and to the principle of equity and the equitable sharing of benefits. Delegates agreed that the STB should use the best available science, with many suggesting adding reference to traditional knowledge.

Discussions on **membership** focused on:

- capacity of members, with many delegates stressing they should serve in their expert capacity and in the best interest of the Agreement;
- eligibility criteria with one option containing a list of criteria while the other noting that members "shall possess recognized experience and expertise," with some delegates suggesting considering whether the STB may issue guidance on required expertise as its work progresses and a regional group proposing that the COP "shall review the list of expertise prior to each election with a view to adding necessary competences";
- number of members, with delegates expressing divergent views, including on attributing special seats, with some delegates calling for equitable regional representation and at least one dedicated seat for SIDS, LDCs, and Indigenous Peoples, further agreeing on including early-career professionals and capturing gender balance and interdisciplinary expertise;
- selection process, with many delegates agreeing the process should be led by regional groups, some calling for a standardized merit-based process, and others noting that parties should be able to nominate members and querying the role of the Secretariat in conducting a preliminary review of the nominations;
- term of office, with many supporting no more than two terms and noting that the term needs to be aligned with the frequency of COP meetings;
- replacement members, with many delegates emphasizing that replacements need to belong to the same group or category of countries; and
- officers, with two options on nomination either by the COP or by the STB.

Deliberations further focused on the modalities for the operation of the STB, including provisions on its programme of work, with delegates discussing its content and relationship with the COP, and on meetings.

Delegates concluded their discussions on Wednesday, 27 August, focusing on modalities for the operation of the STB. They addressed the establishment of ad hoc and working groups, engagement with the advisory group on Indigenous Peoples and local communities, experts, and financial arrangements. Delegates further addressed provisions on cooperation and coordination as well as conflict of interest and confidentiality.

Many delegates noted the STB should have the autonomy to establish working groups according to its needs and decide on their composition. Many highlighted the need to enable external expertise for specialized advice. A regional group stressed that the number of experts the STB may invite should not be restricted.

A delegate emphasized that scientific competence and expertise should be prioritized over gender balance and balanced geographic representation, while others noted the need for balance, underscoring that expertise on marine science is often region-specific. Another noted that advice from the roster of experts should be limited to environmental impact assessments. Others called for regularly reviewing and updating the roster of experts.

A regional group reiterated the importance of a standing SIDS-specific item in the STB's report to the COP, noting they will circulate a relevant proposal intersessionally. Many delegates emphasized the need to reflect minority views in the reports.

Many delegates pointed to ongoing discussions on cooperation with IFBs and highlighted the need to avoid duplication of efforts. A regional group called for operationalizing cooperation through memoranda of understanding (MoUs) and structured scientific dialogues, while others reiterated the need for interoperability of data and information flows.

Delegates discussed alternative options on review and amendment, with many underscoring that the COP, rather than the STB, should be conducting the periodic review, while others suggested reference to both bodies.

An observer called for deciding on advice and recommendations through a majority vote if all efforts to reach consensus have been exhausted and called for enabling intersessional decision making for time-sensitive tasks.

Co-Chair Felson highlighted interlinkages between these discussions and those under the RoP for the COP and cooperation with relevant bodies. She emphasized that an aid to negotiations containing draft ToR for all SBs will be circulated during the intersessional period for further discussion at PrepCom III.

Arrangements for the Functioning of the Secretariat, Including its Seat

On Wednesday, 20 August, Co-Chair Felson introduced a matrix on the arrangements for the Secretariats of selected instruments (A/AC.296/2025/INF/4). She invited delegates to address the guiding questions on: the appropriate Secretariat model for the BBNJ context; elements to be included in the draft text to be prepared by the Co-Chairs; modalities for the selection of the seat of the Secretariat by COP1; and what information would be useful on potential host countries.

On potential Secretariat models, options included: a standalone Secretariat that operates autonomously from the UN; a Secretariat institutionally linked to the UN but enjoying a degree of autonomy; and a Secretariat administered by an existing UN entity. Many delegates supported the idea that the Secretariat should have some type of institutional linkage to the UN, including for efficiency and cost-effectiveness. Others supported an ad hoc model for the BBNJ Secretariat, tailored to meet the Agreement's needs with a degree of independence from the UN. Some called for a standalone Secretariat with financial and human resource autonomy and a simple governance structure for external cooperation. Many highlighted the need to embed cooperation features.

Delegates underscored the need for transparency, effectiveness, inclusivity, functional autonomy, visibility, and adaptability. Many called for actively prioritizing the full and effective participation of developing country parties.

On draft text elements, delegates suggested additions related to;

- the Secretariat's legal status and technical capacity;
- size and structure and location of seat of the Secretariat, with some suggesting progressive expansion based on growing functions and needs;
- budgetary considerations, including cost estimates;
- interlinkages and cooperation, including reciprocal representation with relevant IFBs;
- institutional linkages with the UN;
- the process for selection and appointment of the Head of the Secretariat;
- privileges and immunities;
- political neutrality and cost-effectiveness;
- practical arrangements for operationalization; and
- reporting, accountability, oversight, and review mechanisms for these arrangements.

While the steps to facilitate seat selection and the timeframe require further discussions, delegates underscored the need for equal treatment of candidates, inclusive, clear, and transparent modalities, and decision making, if possible, by consensus. Many delegates noted that developing a specific set of selection criteria is not necessary.

On useful information on potential hosts, delegates discussed the provision of privileges and immunities; financial and in-kind contributions and other forms of direct support; accessibility; international connectivity and logistical arrangements; infrastructure and conference facilities; affordability of accommodation and reliable health infrastructure; information on employment for dependents; and visa facilitation processes. A delegate called for intersessional meetings where interested countries can present their candidacies and respond to questions, adding that a final decision should be taken at PrepCom III, preferably by consensus.

BELGIUM and CHILE expressed their desire to host the Secretariat, making relevant presentations on their vision for the BBNJ Secretariat and institutional architecture.

The UN ENVIRONMENT PROGRAMME highlighted its strong institutional presence and strategic linkages within the UN system to foster cooperation, stressing that it can provide comprehensive Secretariat services from the outset.

Youth organizations urged upholding the principles of intergenerational equity and long-term legitimacy, and suggested an operationally independent Secretariat, located in a developing country or SIDS.

On Friday, 22 August, Co-Chair Felson invited delegates to focus on a working document providing an overview of proposed elements for arrangements for the functioning of the Secretariat and resume discussions in an "informal informal" setting on the most appropriate way forward on the seat selection process.

Delegates stressed that the list of elements is non-exhaustive and needs further work in terms of consistency, emphasizing that many important elements are reflected. They reiterated their priorities regarding the functioning of the Secretariat, with many calling for autonomy, efficiency, transparency, adaptability, impartiality, neutrality, responsiveness, accountability, competence, and cost-effectiveness. Emphasizing the need to facilitate participation in meetings, a regional group called for references to regional balance and equity in participation as a cross-cutting principle. Delegates discussed the principle of equitable geographical representation and whether a fixed geographical rotation for the Head of the Secretariat should be considered.

A regional group suggested developing a document setting out the options for the Secretariat and discussing the potential model for the Secretariat's arrangements with the UN. Another called for developing an ad hoc Secretariat model on the basis of the discussed elements. A group of countries called for laying the groundwork to give effect to institutional linkages with the UN, suggesting communication with the UN Secretary-General to request relevant advice. Delegates further discussed the implications of the appointment or selection process of the Head of the Secretariat on potential interlinkages with the UN.

Delegates discussed the timeline for progressing the selection of the seat, emphasizing the need for modalities that ensure transparency, openness, and inclusivity.

A regional group reiterated the suggestion for international information sessions and consultations to reach consensus on the host country by PrepCom III, to allow sufficient time for the necessary practical arrangements. A group of countries suggested a formal submission process for interested host countries, without being prescriptive on the content of such offers.

Co-Chair Felson noted delegates' support for an invitation to interested host countries to provide relevant information, allowing sufficient time for consideration prior to PrepCom III.

On Thursday, 28 August, delegates agreed to request further information on institutional arrangements through a letter to the UN Secretary-General and discussed the content of such a request. They discussed the merits of electing the Head of the Secretariat either through a decision by parties or through appointment by the UN Secretary-General.

They queried the effect on the international legal personality and operational independence of the Secretariat, as well as potential implications on privileges and immunities of the two options. They asked how the level of financial independence would affect linkages to conference and document services and administrative support.

A regional group called for analyzing the procedural feasibility of establishing a governance structure while electing the Head of the Secretariat and maintaining a contract with the UN. Many pointed to the relevant model of the UN Framework Convention on Climate Change. A delegate stressed that any communication with the UN does not necessarily represent the views of delegations and does not prejudice future positions within the PrepCom.

Delegates suggested developing various documents for further consideration, including: potential models for the Secretariat structure and cost estimates; a document giving effect to the Secretariat's international legal personality; and a draft decision on the institutional arrangements for the Secretariat, including as annexes a list of elements necessary for a possible link with the UN and a draft host country agreement, with a delegate proposing establishing within it a dispute resolution mechanism.

A delegate underscored that establishing a host country committee under the COP would be beneficial.

Delegates expressed appreciation for the bids presented by Belgium and Chile for hosting the Secretariat and discussed the deadline for the submission of relevant information on the candidacies for consideration by PrepCom III.

The Co-Chairs noted broad support for communication between the Co-Chairs and the Secretariat of the UN on further information on the implications of a potential linkage with the UN, including in terms of the applicability of privileges and immunities. They stressed that consultations would continue in the most efficient way to obtain the information requested by the PrepCom with a view to ensuring the information is available before PrepCom III.

Reporting Requirements

On Friday, 22 August, Co-Chair McCarthy introduced the note by the Secretariat (A/AC/296/2025/17), emphasizing that it is a background reference document with a view to assisting the PrepCom in its consideration and does not constitute a basis for textual negotiations. Noting this is the first time the PrepCom addressed reporting requirements, he invited delegates to focus on the kind of guidance the PrepCom should provide to the COP, in particular the aspects of reporting requirements that should be addressed by COP1. He further called for addressing appropriate reporting intervals, format, and submission processes for parties, SBs, and the Secretariat, considering whether such intervals should be aligned with the COP meeting cycle or tailored for specific needs, including the role of SBs in determining their own reporting processes.

Many delegates suggested reporting modalities for parties and institutional arrangements be addressed separately as they arise from different provisions, and called for a transparent, streamlined, and operational reporting system to support accountability and facilitate collective learning and the identification of common challenges. They offered their considerations on each reporting category, with many calling for autonomy for the SBs in designing their reports.

Many called for finding a balance between transparency and confidentiality. They also emphasized that the reports should ensure the necessary data and information without imposing stringent reporting obligations, stressing the need to fully consider the needs and priorities of developing countries. They called for considering best practices for simplified, not onerous reporting modalities, including standardized, user-friendly reporting templates, avoiding duplication and identifying complementarities. They suggested the self-identification of needs and challenges, and pointed to the CHM as the "backbone for submissions," stressing its critical role on transparent access to information including on implementation and the fulfilment of parties' obligations.

On submissions, many suggested an online form, including pre-filled data categories, and modalities for offline submissions as well as regional or joint ones, underscoring the need for public access and transparency. A regional group called for standing coordination mechanisms between the COP and the SBs to avoid methodological divergences and ensure harmonization of reporting requirements. Many delegates suggested that reporting intervals should, where possible, be aligned with the cycle of the COP or the SB meeting schedule to allow for coordination and reduce unnecessary reporting.

A regional group suggested a provision on data deficiency, in particular for the initial stages of the Agreement. They called for a specific section in SBs' reports on the special circumstances of SIDS and LDCs. Many underscored the need for capacity building and transfer of marine technology to developing countries, in particular SIDS and LDCs, stressing that those provisions should not be conditional on reporting requirements and adding that such requirements will depend to an extent on the provision of financial support.

Discussions will continue at PrepCom III.

Arrangements to Enhance Cooperation with IFBs

On Wednesday, 20 August, Co-Chair McCarthy introduced the Secretariat's note (A/AC.296/2025/16) and invited delegates to focus on: the kind of guidance or recommendations that the PrepCom should provide to the COP to inform the development of arrangements to enhance cooperation with relevant IFBs; ways to establish and operationalize cooperation arrangements; cooperation arrangements that are necessary at an early stage; and key elements of such arrangements.

Delegates underscored that cooperation is a key component of the BBNJ Agreement and necessary for effective implementation, noting that the relevant articles provide an anchor for cooperation modalities. Many called for structured and strategic cooperation arrangements, avoiding duplication of efforts and promoting efficiency in the use of limited resources and complementarity.

Some delegates highlighted the diversity and complexity of relevant IFBs, and called for a balance between formal and informal arrangements. A regional group noted that any cooperation arrangement should be in line with UNCLOS, in particular regarding the recognition of areas beyond national jurisdiction as the common heritage of humankind and the equitable distribution of resources.

Discussions focused on:

- relevant BBNJ provisions on cooperation and the principle of not undermining relevant IFBs;
- different avenues for cooperation via the parties, the COP, SBs, the Secretariat, and the CHM, with delegates offering specific ideas on building synergies;
- modalities for cooperation, with many delegates suggesting flexibility and not being overly prescriptive, balancing formal mechanisms and informal approaches to enhance coherence and strengthen partnerships with IFBs;
- ensuring consistency between the measures adopted under the BBNJ Agreement and those under IFBs; and
- the need to integrate traditional knowledge and best available science.

Delegates further discussed the need for institution-specific guidance, taking into account that bodies under the Agreement have different cooperation mandates and the role of parties to the BBNJ Agreement that are also members of IFBs in promoting cooperation and the objectives of the Agreement.

Heads of Secretariats and other Secretariat representatives from various multilateral agreements and bodies shared practical experiences and lessons learned, and expressed their readiness for cooperation and collaboration.

Delegates resumed their discussions on Thursday, 21 August, focusing on cooperation arrangements necessary for early implementation. They exchanged ideas on modalities for such cooperation and possible prioritization.

Discussions further focused on key elements of cooperation arrangements, with delegates highlighting, among others, the need for adaptability, efficiency, equity, reciprocity, and cost-effectiveness. Some underscored the need for inclusion of IFB representatives in the work of the BBNJ Agreement, while others focused on strategies to avoid duplication and the role of the COP in overseeing such arrangements.

NGOs noted that the principle of not undermining "is a two-way street," emphasizing the need to ensure that future decisions under the BBNJ Agreement are not undermined by IFBs. They further called for time-bound modalities that do not require the signing of an MoU for every IFB and highlighted the need for urgent collaboration on area-based management tools and environmental impact assessments.

On Thursday, 28 August, Co-Chair Felson highlighted that the outcome of the process could be the intersessional development of a draft decision providing guidance on enhancing cooperation with IFBs to be considered by PrepCom III, inviting delegates to focus on the elements that need to be reflected in such a draft decision.

Delegates reiterated:

- the need to ensure alignment of any cooperative arrangement with the BBNJ Agreement;
- the centrality of the COP in overseeing arrangements;
- the avoidance of duplication; and
- reciprocity and mutual support.

Additional elements raised included instruments and modalities of cooperation, the level of autonomy of the Secretariat and SBs to cooperate, levels of formality of arrangements, cost-effectiveness and optimized use of resources, clear procedures for communication and scientific and technical information exchange, and participation of IFBs in the work and processes under the Agreement.

They also exchanged views on the merits of developing a system for identifying and possibly prioritizing relevant IFBs or whether self-identification by IFBs would be preferable.

Co-Chair Felson reiterated that a draft decision would be developed for further consideration based on all the interventions and written comments submitted.

Modalities for the Operation of the CHM

On Wednesday, 20 August, Co-Chair McCarthy introduced a note prepared by the Co-Chairs (A/AC.296/2025/15), including draft ToR for an informal expert group on the technical aspects of the operationalization of the CHM as well as a flowchart outlining the functions of the CHM and possible linkages with other institutional arrangements.

Co-Chair McCarthy reminded delegates that, if established, the informal expert group will have to conduct its work under significant time pressure and resource constraints as "it is foreseeable that we may need some form of CHM in operation early in 2026," and invited them to take these factors into account in their deliberations. He drew attention to the guiding questions about the proposed tasks of the informal expert group, and its optimal size, composition, and working methods.

Delegates recognized the importance of the CHM in promoting implementation and transparency, and the need to establish the informal expert group as soon as possible. Some delegates underscored that the CHM needs to be accessible, interactive, multilingual, and interoperable, including with regional and sub-regional databases. They highlighted the special requirements of developing countries, in particular SIDS, LDCs, and land-locked developing countries (LLDCs), calling for access to data and information, enhanced funding opportunities, technical assistance, training programmes, and scientific scholarships. Many called for addressing the digital divide as well as clear linkages with all SBs, human-led verification, inclusivity, data security, and long-term financial sustainability.

Delegates expressed divergent views on some issues, most importantly on whether the informal expert group should be open-ended or with limited membership. Many opted for limited membership to ensure coordination and efficiency, calling for a pragmatic approach. Size proposals for the informal expert group ranged from 5-50 members. Many emphasized the need for equitable geographical representation, gender balance, and balance between subject matter and information technology (IT) expertise in the composition of the expert group.

Others suggested the informal expert group remain open to "experts of all States Members of the UN, members of the specialized agencies and Parties to UNCLOS," emphasizing that nomination and selection processes will be time consuming.

Some delegates supported a phased approach, prioritizing the initial phase tasks such as matching capacity-development needs with available support for capacity building and technology transfer, the process to generate the BBNJ standardized batch identifiers, activities related to marine genetic resources, upload and download functionality, and alerts and notifications on environmental impact assessments. A delegation called for developing standards and protocols on cyber security, data protection, and access control. Another urged focusing initially on developing the necessary IT infrastructure. Some delegates stressed that the informal expert group is not a negotiating body and prioritized the identification of areas of convergence and divergence or the provision of scientific and technical advice to the PrepCom.

A regional group suggested additional clarity on the prioritization of tasks for the informal expert group, and another called for a comparative analysis of existing CHMs, including a cost-benefit analysis and necessary human resources. Others noted that costs and financial implications associated with options for specific modalities need to be articulated.

On meeting modalities, many delegates preferred virtual meetings with some emphasizing that a limited number of in-person meetings would be necessary for decision making. Many supported observer participation, while discussions further addressed reporting requirements and deliverables.

On Thursday, 21 August, delegates concluded their first round of discussions listening to multilateral organizations and NGOs offering, among other things, experiences and lessons learned from the development and implementation of CHMs. Observers further emphasized: the need for clear scope of work and a roadmap for deliverables for the expert group and that the initial phase of the CHM focus on those functions necessary for states to fulfill the obligations that accrue upon entry into force.

Discussions continued in an "informal informal" setting, with delegates engaging in textual negotiations on draft ToR for the informal expert group on the technical aspects of the operationalization of the CHM. They completed the first reading of the draft ToR, managing to broadly agree on four tasks for the expert group and its working methods. Divergent positions were expressed on the group's composition and on the nomination process, as well as on terminology issues.

On the prioritization of functions that the CHM needs to perform upon entry into force of the Agreement, delegates discussed matchmaking capacity-building needs with available support and interoperability with existing platforms. On the necessary expertise, a regional group suggested moving the content of qualifications in an annex as a non-exhaustive list. Others suggested additional areas of expertise.

On the composition of the expert group, a regional group called for 25 experts nominated by states and designated by regional groups. A group of countries favored a relatively small group, including experts to be nominated by interest groups and the potential for external expertise. Others reiterated that an open-ended expert group is the most effective way to establish the group in a timely fashion.

Delegates addressed working methods, with some suggesting clarifying the process for the appointment of the co-facilitators. Delegates agreed that the group would convene virtually, with some calling for at least one in-person meeting. A regional group suggested identifying positions in the informal group that enjoy broad support, also clearly reflecting minority views and providing brief clarifications and a period for comments.

Delegates further focused on the timeline, including the submission of a draft roadmap by the informal group no later than 12 weeks prior to the convening of PrepCom III and available support, including via earmarked voluntary contributions.

On Monday, 25 August, Co-Chair Felson introduced a revised document (A/AC.296/2025/CRP.2), focusing on draft ToR for the informal group on the technical aspects of the operationalization of the CHM.

On two options for a review of existing CHMs, either tasking the informal group with producing a comparative assessment or taking stock of existing CHMs and using this as a baseline for developing a roadmap for the CHM's operationalization, many delegates supported the latter, given time constraints. Others, including two regional groups, emphasized that a comparative assessment would be the best use of limited time. A group reiterated the need for a relevant cost-benefit analysis.

An observer, supported by some delegations, suggested putting in place interim arrangements for the CHM, noting that the BBNJ Agreement is likely to enter into force prior to PrepCom III.

Many delegates supported including an indicative list of tasks and functions, with some calling for further discussing the appropriate level of detail. Many called for referring to an "initial" rather than a "pilot" phase, noting the latter implies a testing period and underscored the mandatory nature of stakeholder consultations, suggesting reflecting this in the draft ToR.

Co-Chair Felson suggested establishing an informal Friends of the Co-Chairs group, facilitated by Barbados and the UK, for further discussion on composition and nomination processes. Delegates agreed.

On Friday, 29 August, delegates resumed their discussion on the ToR of the informal group. The co-facilitators of the informal Friends of the Co-Chairs group on size and composition of the informal group reported back on the group's deliberations, noting that a working document was produced reflecting the outcome of discussions, and highlighting two outstanding issues: seats for SIDS in the group's composition; and a proposal for introducing an objection procedure for those experts nominated under the second tier of expertise related to IFBs, the private sector, and civil society.

Co-Chair Felson invited delegates to focus on other parts of the ToR. Discussions focused on the tasks of the informal group, including the required level of detail.

Many delegates generally agreed to task the informal group to take stock of existing CHMs and information-sharing platforms, and use this as an information source for developing the roadmap or the operationalization of the CHM. Following discussions, delegates agreed to include references to "safeguards for traditional knowledge, resources such as human resources, and cost-benefit analysis" in the aforementioned task.

On a list of specific tasks for the informal group, discussions focused on:

- a provision on "other relevant rights of the holders of that knowledge, particularly the rights of Indigenous Peoples" with respect to conditions for the sharing of traditional knowledge;
- references to "differentiated access" and a "targeted alert and notification system"; and
- the generation and use of the BBNJ standardized batch identifiers to operationalize the relevant provisions in Part II of the Agreement.

Delegates further addressed the need for interim arrangements for the CHM and agreed to remove a deadline for the informal group to conduct the work, noting it should be sufficiently in advance of PrepCom III.

Following further informal discussions, the UK reported during the closing plenary that the informal Friends of the Co-Chairs group was unable to resolve the outstanding issues on the composition, the inclusion of an objection procedure, and a non-prejudice clause.

Noting that agreement could not be reached on the ToR for an informal expert group, Co-Chair Felson emphasized that most delegations agreed with the completion of specific tasks to support the operationalization of the CHM, adding that the Co-Chairs, in consultation with the Bureau, will decide on the modalities for intersessional work.

Financial Rules Governing the Funding of the COP and the Funding of the Secretariat and any SBs

On Tuesday, 19 August, Co-Chair McCarthy introduced the revised aid to discussions and negotiations (A/AC.296/2025/13), noting that, similarly to the other two aids, the revisions in the document are based on the views expressed during PrepCom I and additional written input. He invited delegates, based on the guiding questions, to focus on elements that can be accepted, substantive disagreements, and missing elements.

Many delegates noted that the revised version is much improved and stressed the importance of adequate, predictable, and sustainable funding, ensuring the full and effective participation of developing countries, taking into account the special circumstances of SIDS, LDCs, and LLDCs. Many underscored that the financial governance of the BBNJ Agreement depends on the model for the Secretariat.

On provisions on the **budget**, delegates addressed the potential role of a finance committee providing recommendations to the COP and reviewing the availability and timely disbursement of funds. They discussed potential supplementary budget proposals to be submitted by the Head of the Secretariat if exceptional circumstances make this necessary, with some delegates noting that such rule can only be found in the model of the International Seabed Authority (ISA). Others noted that exceptional circumstances need to be clearly defined and that any supplementary budget proposal must be approved by the COP, adding that parties should also be able to make such proposals for extrabudgetary activities. Delegates further focused on the provision by the Secretariat of cost estimates for actions that have budgetary implications.

Discussions on **funds** were based on two potential models for establishing a general trust fund, either through the UN and managed by the Secretariat, or designating an organization, the Trustee, to establish and manage the fund in accordance with the Agreement's rules. Some delegates expressed flexibility noting the importance of reaching consensus on who the Trustee would be if the second option was selected. Others supported designating a Trustee, stressing it allows for transparency, accountability, institutional credibility, and operational efficiency.

Delegates addressed rules for the working capital reserve, with some noting that relevant decisions should be taken by consensus, and decision making. Some delegates expressed concerns over provisions noting that the COP may establish additional funds where the rules under discussion shall not apply.

On rules on assessed **contributions**, discussions centered around potential maximum and minimum contribution thresholds, as well as rules on contributions in arrears, with some suggesting broadening the circumstances of *force majeure*. Delegates also addressed provisions on voluntary contributions and additional funding by public and private sources, with some noting that such contributions

should be accepted if consistent with the activities and objectives of the BBNJ Agreement, while others noted that they may undermine fairness and risk creating imbalances.

Delegates further focused on, among other things:

- the scope, with some opting for a Secretariat with a sufficient degree of independence;
- the financial period, with many delegates supporting a biennium, some suggesting a three-year period, and others underscoring that the financial period should be aligned with the frequency of COP meetings and synchronized with important UN processes; and
- rules on auditing and administrative support costs.

A regional group suggested clearly articulating rules on eligibility in relation to access to the various funds. Some delegates called for clarifying the role of the finance committee. A delegate noted that the BBNJ Agreement should be fully within the hands of the UN, adding that the document contains many elements from financial rules of unrelated instruments, suggesting a streamlined version.

NGOs and observer organizations emphasized, among other things, the need for: systemic transparency on contributions, expenditures, and allocations; long-term fiscal sustainability and incorporation of intergenerational equity considerations; responsible contributions and investments, including climate justice commitments; and direct access modalities for subnational governments.

On Wednesday, 27 August, Co-Chair McCarthy invited delegates to resume discussions on the basis of a revised document (A/AC.296/2025/CRP.4). Discussions focused on provisions on the budget, funds, and contributions.

A group of countries suggested highlighting that "all officials involved in the management of the financial resources for the Agreement shall be guided by the principles of effective and efficient financial management and the exercise of economic prudence."

On the **budget**, many underscored that the finance committee has a strictly advisory role, including with respect to fund mobilization and needs assessment, and stressed that authority on financial decisions rests with the COP. Others emphasized the finance committee's role, expressing skepticism on whether the ISA model is a good fit.

They resumed deliberations on supplementary budget proposals, including for exceptional circumstances, discussing whether individual parties can submit supplementary budget proposals, provisions detailing the exceptional circumstances as well as a bracketed provision on the "justification of the unavoidability of the expenditure."

A delegate stressed the need to ensure that resource needs of other SBs are taken into consideration in the preparation of budget proposals. Another emphasized that the UN financial rules and regulations need to apply *mutatis mutandis* and queried the composition of the finance committee.

On **funds**, discussions focused on provisions on eligibility, the working capital reserve, the potential establishment of new funds, and potential termination of a fund.

Many delegates noted that discussing the establishment of new funds is premature, including whether the present financial rules will apply to them. Two regional groups noted that while the present rules are applicable, *mutatis mutandis*, to the voluntary trust fund (VTF) as an administrative fund, they should not apply to the special fund. Another reiterated its resolve to put forward a proposal for a separate voluntary funding mechanism for Indigenous Peoples as well as local communities.

Delegates further addressed **contributions**, focusing on the due date for the payment of assessed contributions, with many expressing flexibility to take into account the variation in countries' budgetary cycles. They further discussed maximum contributions to avoid overreliance and disproportionate financial burden for any party. Some noted that a minimum threshold for contributions is not necessary.

They debated provisions on countries in arrears, including the relevant grace period, with many cautioning against punitive measures, such as prohibiting the party in arrears from being a member of the subsidiary bodies or the bureau, not to discourage active participation in the Agreement. A delegate suggested a provision empowering the Secretariat "to facilitate and support developing countries in fulfilling their payment commitments."

They discussed potential investment of unused contributions, noting that further discussion is needed on the available options, with some stressing the need for safe and transparent investments. On a provision noting that "states not parties to the Agreement shall contribute to the expenses of the meetings of the COP and of its subsidiary bodies in which they participate as observers," discussions focused on whether this provision should only be addressed to developed countries as well as on the legal basis for imposing such an obligation to non-parties.

Co-Chair McCarthy noted that while some differences and gaps remain, agreement is within reach and added that a revised aid to negotiations will be issued for further consideration at PrepCom III.

Arrangements with the GEF to Give Effect to the Relevant Provisions on Funding

On Monday, 18 August, Co-Chair Felson introduced a revised aid to discussions on arrangements with the GEF to give effect to the relevant provisions on funding (A/AC.296/2025/14). The revised aid includes a draft MoU between the COP and the GEF Council. She noted that the revised aid contains streamlined options in cases where received input moved in the same direction as well as alternative options when consolidation was not possible. She invited delegates to focus on the guiding questions and identify elements that can be accepted as contained in the revised aid, missing elements, and substantive disagreements.

Delegates focused on, among other issues:

- the need to support developing countries through capacity building and transfer of marine technology, with many highlighting the importance of self-identified needs and others calling for streamlined application, approval, and dispersion processes. A regional group offered specific language in that respect, including a provision on granting preferential treatment to, and considering the specific needs and special requirements of developing country parties, in particular SIDS, LDCs, and LLDCs;
- modalities for the provision of guidance from the COP to the GEF Council, with some delegates suggesting establishing a standing body under the COP, potentially the finance committee, to provide immediate guidance and overcome challenges posed by the COP's periodicity;
- whether the GEF Council should reconsider its decision in a specific timeframe in cases where a party considers that a decision regarding a specific project is not consistent with the guidance provided by the COP;
- modalities for the periodic review of the financial mechanism and whether an independent assessment of the overall performance of the GEF and the GEF Council would be required, with some

expressing support and others pointing to the Independent Evaluation Office, noting it already provides independent and objective assessments;
- reporting requirements and their content, with some noting that the COP needs to have a full picture of the project portfolio, including priorities and gaps relevant to the BBNJ Agreement, and others stressing that reporting requirements need to be defined in cooperation with the GEF Council;
- the need to facilitate matchmaking among available resources and the needs of developing countries through the CHM;
- the need for adequate, accessible, predictable, and new and additional financial resources, with some delegates requesting clarification on how the GEF may leverage "additional financial resources" beyond its replenishment; and
- the need to avoid provisions that are too prescriptive, with some delegates stressing that more work is needed to strike a balance between the GEF Council being accountable to the COP but also able to swiftly implement projects without being overburdened by additional requirements.

A delegate queried the legal status of the proposed MoU and the process for dispute settlement, and called for transparency in funding decisions.

Observers representing youth organizations called for adequate, accessible, and new resources, fully responding to the special circumstances of SIDS and LDCs, empowering stakeholder engagement, in particular Indigenous Peoples and youth.

On Monday, 25 August, Co-Chair McCarthy introduced a revised draft MoU between the COP and the GEF Council (A/AC.296/2025/CRP.1).

Delegates debated a preambular paragraph recalling BBNJ Article 7 (general principles and approaches), in particular whether the full recognition of the special circumstances of SIDS and LDCs should be explicitly included in the preambular section of the MoU.

They decided to form an informal Friends of the Co-Chairs group, facilitated by Brazil and Canada, to discuss references to "the GEF" and "the GEF Council" in different places in the MoU, on a case-by-case basis.

On guidance from the COP, discussions focused on: an indicative list of activities that could receive support from the GEF Trust Fund; provisions on potential additional arrangements beyond the MoU; and the role of the finance committee with respect to intersessional communication with the GEF, with some suggesting further discussion in the informal group.

Discussions further addressed provisions on conformity with the guidance from the COP, including whether the COP should specify the timeline that the GEF should consider a contested decision and provisions on granting preferential treatment to, and consider the specific needs and special requirements of, developing countries, in particular SIDS, LDCs, and LLDCs.

On Tuesday, 26 August, co-facilitator Brazil reported that the informal group had an initial exchange of views, revealing the need for further input from the GEF, including the rationale for the use of terminology. Brazil noted that the GEF Secretariat informed the group that a relevant non-paper can be issued for further discussion intersessionally.

On Wednesday, 27 August, delegates resumed their negotiations on a draft MoU with the GEF.

Discussions focused on:
- reporting requirements, provisions on additional financial resources leveraged by GEF, the relevant role of the finance committee, and references to key challenges and gaps in implementation;
- the periodic review of the financial mechanism and independent assessment of the GEF; and
- complementarity and coherence within the financial mechanism.

Co-Chair Felson noted that "while challenges still exist, they are not insurmountable," expressing optimism for successful conclusion of the deliberations at PrepCom III.

Operationalization of Other Provisions on Financial Resources and Mechanism

On Tuesday, 19 August, Co-Chair McCarthy introduced a note prepared by the Secretariat (A/AC.296/2025/18), explaining that its purpose is to assist the PrepCom in the consideration of the operationalization of the provisions of Article 52 (funding) of the BBNJ Agreement. He invited delegates to focus on relevant guidance or recommendations to the COP and next steps with regard to the PrepCom's work, including whether guidance on the scale of assessed contributions should be developed.

Discussions focused on:
- the establishment and operationalization of the VTF;
- arrangements to give effect to the provisions on the special fund; and
- additional matters for consideration, including the scale of assessed contributions.

On the VTF to support participation of developing state parties, in particular LDCs, LLDCs, and SIDS, delegates expressed divergent positions on the fund's administration. They also disagreed on establishing limitations of access to funding for representatives of any party whose assessed contributions are in arrears beyond a specified threshold. Some delegates suggested a dedicated funding stream to support participation of Indigenous Peoples and local communities.

On the special fund to support the conservation and sustainable use of marine biodiversity of areas beyond national jurisdiction, a regional group highlighted the need to address governance, administration, and implementation, and another suggested a concrete timeline and milestones for the development of relevant ToR and the full operationalization of the special fund by COP2.

On other aspects of the financial mechanism, discussion focused on: guidance on eligibility for the financial mechanism as a whole; guidance on overall strategies and policies; coherence and complementarity between the funds; and a periodic review of the adequacy and effectiveness of the financial mechanism. Delegates further discussed ways to support participation at COP1, given that the VTF will not yet be operational.

Delegates addressed the way forward with a regional group suggesting preparing two draft decisions for COP1 on establishing a process for the operationalization of the special fund and on addressing strategies, priorities, eligibility, and access to resources to ensure complementarity and coherence. A delegate suggested establishing an intersessional technical group to develop proposals for the operationalization of the VTF and the special fund.

On Tuesday, 26 August, delegates addressed a working document circulated by the Co-Chairs, on possible elements of a process for the operationalization of the special fund. Co-Chair McCarthy invited delegates to focus on whether the discussion during the first week of PrepCom II had been accurately reflected in the working document as well as on the necessary outputs to assist the COP in operationalizing the special fund.

Many delegates highlighted the special fund as the primary mechanism for implementing the BBNJ Agreement and supported its early operationalization, and the need for effective and efficient management. They stressed that the working document provides a fair reflection of views expressed and offers a good basis for further discussion.

Deliberations focused on:

- guiding principles or approaches;
- timeline, modalities, and milestones; and
- areas of focus of the operationalization process.

Some delegates highlighted that the special fund needs to uphold the principle of non-discrimination and be responsive to self-identified needs and challenges of developing countries. Many underscored the need to fully recognize the special circumstances of SIDS and LDCs, with a regional group calling for references to "LLDCs, geographically disadvantaged states, coastal African states, archipelagic states, and developing middle-income countries." They further called for participation of Indigenous Peoples, local communities as well as observers in the operationalization process and in the oversight of the special fund.

Others called for cost-effectiveness, transparency, and accountability and supported a staggered approach, taking into account lessons learned from the operationalization of relevant funds. Some underscored the need to clarify how complementarity with other elements of the financial mechanism will be ensured, with others emphasizing the need to take into account the special fund's independence.

Many delegates suggested analyzing the types of funding support, including concessional loans, grants, guarantees, and blended finance, and discussing innovative funding sources. Some noted that modalities on eligibility are covered by the BBNJ Agreement.

Deliberations focused on modalities for intersessional steps, calling for a time-bound, structured, and transparent process. Delegates discussed potentially establishing a technical working group to develop proposals on modalities, governance, and operationalization for consideration at PrepCom III, as well as the convening of webinars to engage with existing fund administrators to explore practical and cost-effective options for hosting or administering the special fund.

A regional group called for ensuring representation of SIDS technical experts in intersessional work and for including UN specialized agencies and potentially relevant private investment banks in the webinars. Others queried the modalities for intersessional work pointing to inconsistencies and called for further clarifying next steps.

Delegates further considered a proposal on launching the operationalization process through the establishment of an ad hoc group to prepare an instrument governing the operation of the special fund. A regional group noted that the other option would be establishing an open-ended working group. A group of countries suggested potentially establishing a steering committee to assist in interactions between the BBNJ Secretariat and the entity administering the special fund.

Delegates then turned their attention to draft elements for the ToR of the VTF established under the BBNJ Agreement to support participation of developing country representatives at meetings of the bodies on the basis of a working paper circulated by the Co-Chairs on Monday, 25 August.

Delegates offered preliminary views, focusing on, among other things: eligibility and use of the fund; allocation of available funds; applications for financial assistance; and consideration of applications. Many highlighted overlaps with ongoing discussions on the financial mechanism. Delegates expressed divergent views on whether assistance should be limited to one delegate per state as well as on provisions for countries in arrears.

They exchanged views on potentially establishing an advisory board or other mechanism, potentially under the finance committee, to assist in: developing transparent prioritization criteria for fund allocation; recommending allocation of limited resources where demand exceeds available funding; and providing oversight and ensuring accountability in fund disbursement. Some supported establishing an advisory board while others expressed concerns, including cost implications, and suggested mirroring the operations of the VTF established for the purposes of the PrepCom entrusting the Secretariat on the allocation process.

On Thursday, 28 August, delegates resumed their discussions on the VTF and the special fund. Discussions focused on the scope of work for its early operationalization and on intersessional activities. A group of countries suggested carrying out a study on the operations of the special fund, including scenarios and cost overviews to inform the discussion. A regional group called for establishing an ad hoc committee tasked with addressing core elements for the operationalization and adoption of the special fund.

Following discussions, delegates converged on mandating the Co-Chairs to prepare a draft decision for the purpose of operationalizing the special fund.

There was further broad support for intersessional work on the VTF, including on provisions on arrears and on finding the most appropriate ways to address overlaps between the financial rules and the ToR for the VTF.

On Friday, 29 August, a delegate emphasized the need for consistency with BBNJ Articles 7 (general principles and approaches) and 52 (funding) regarding the scale of assessed contributions and guidance on overall strategies, policies, programme priorities, and eligibility for access to and utilization of financial resources.

Co-Chair Felson confirmed that the Co-Chairs will prepare a draft decision for consideration at PrepCom III, adding that further discussion will be needed on assessed contribution and further guidance regarding how the PrepCom could assist the COP in operationalizing the CHM.

Other Matters

Guidance to GEF-9: On Friday, 22 August, Co-Chair McCarthy invited delegates to discuss potential guidance to the GEF Council regarding its ninth replenishment period.

Delegates addressed, among other things, the need for:

- a dedicated focal area for the BBNJ Agreement under the GEF;
- support to developing countries, including direct access modalities;
- continuous support for ratification, as well as for enabling activities, needs assessment and reporting, capacity building, including for Indigenous Peoples, the development of the CHM, subsidiary bodies, as well as funding of initial priority initiatives to be defined by the COP, such as the establishment of area-based management tools; and
- the development and operationalization of the special fund, in addition to focusing on the GEF.

Co-Chair McCarthy noted that a reflection of the PrepCom's views could be transmitted to the GEF Council via the Co-Chairs' closing statement.

On Friday, 29 August, during the closing plenary, Co-Chair McCarthy invited delegates to resume consideration of possible provisional guidance of the PrepCom to the ninth GEF replenishment. He suggested focusing on the elements in the working document circulated by the Co-Chairs, stressing that the list of elements is not intended to be exhaustive. He added that, if agreed, these elements would be included in the closing statement of the Co-Chairs and conveyed to the GEF Secretariat, emphasizing that the last meeting for the ninth replenishment period is scheduled to be held in January 2026.

Antigua and Barbuda for the CARIBBEAN COMMUNITY, Papua New Guinea for the PACIFIC SIDS, the EU, AUSTRALIA, INDONESIA, and the UK expressed general support for the elements in the document, with the EU noting that they will avoid entering a detailed discussion on the listed elements due to lack of time.

Seychelles, for the AFRICAN GROUP, expressed concerns on whether the PrepCom's guidance to an external process may be viewed as beyond its legal powers, noting that such guidance is within the remit of the COP, but clarified they welcome the way forward.

Brazil for the CORE LATIN AMERICAN MEMBERS (CLAM) stressed that the PrepCom did not have sufficient time to fully debate the document, noting it touches upon substantive implementation matters and proper consideration is required.

IRAN reserved its position, stressing the need for equal access for all developing countries and the principle of non-discrimination.

Following further discussions, delegates agreed that the Co-Chairs will consider, in consultation with the Bureau, what kind of guidance, if any, could be provided by the PrepCom to the GEF.

Trust Fund for participation in the PrepCom: On Friday, Vladimir Jares, Director, UN Division for Ocean Affairs and the Law of the Sea, provided a report on the status and operations of the trust fund to support participation of developing countries in PrepCom meetings. He thanked the countries that contributed and invited further contributions, stressing that the effective functioning of the trust fund is essential for the success of this intergovernmental process.

BBNJ First Movers Initiative: CHILE reported on the BBNJ First Movers Initiative, aiming to promote the establishment of marine protected areas in areas beyond national jurisdiction and invited all countries and stakeholders to join.

Closing Remarks

Representatives of regional groups and delegates in their national capacity underscored the limited time remaining until the entry into force of the BBNJ Agreement and stressed that it is critical to maintain momentum as well as the need to demonstrate flexibility and finalize the remaining work in a timely manner. They pointed to progress during PrepCom II, stressing the prevailing spirit of flexibility, cooperation, and discipline.

They highlighted the need to secure appropriate modalities and meeting facilities for COP1; make progress on the financial rules, in particular toward operationalizing the special fund; agree on the governance structure; find common ground on establishing the CHM, including interim arrangements for the Agreement's entry into force; and reach consensus on the composition and operations of the SBs. Many delegates stressed that financial rules must follow the principles of inclusivity, transparency, and cost-effectiveness without prejudging the modalities of the financial mechanism. Many highlighted the specific role of civil society and looked forward to productive cooperation with IFBs.

Some groups and delegates emphasized that the full recognition of the special circumstances of SIDS, LDCs, and LLDCs is not optional but a legal obligation under the Agreement to ensure equity and inclusivity. Many called for early release of the documents to strengthen engagement in the intersessional period and allow appropriate preparations for PrepCom III. They expressed their commitment to seeing the BBNJ Agreement succeed, delivering "a regime that can work right away living no one behind," so that it becomes historic in its entry into force and transformative in its implementation.

Co-Chair Felson noted that the imminent entry into force of the BBNJ Agreement is a "welcome development but puts us on time pressure." She highlighted the need to continue the open exchange, focus on the key issues to put the Agreement on a strong foundation, and offer continued support, including on intersessional work.

Co-Chair McCarthy thanked all delegates for their flexibility and emphasized that while some issues progressed more rapidly than others, PrepCom II was successful offering a clear plan for the intrersessional period.

Upcoming Meetings

Third Meeting of the BBNJ PrepCom: The third meeting of the Preparatory Commission for the Entry into Force of the BBNJ Agreement will continue its work on the cluster of issues under discussion at PrepCom II, with a view to preparing recommendations for adoption at COP1. **dates:** 23 March – 2 April 2026 **location:** UN Headquarters, New York **www:** un.org/bbnjagreement

For additional upcoming events, see sdg.iisd.org

Glossary

BBNJ	Biological Diversity of Areas beyond National Jurisdiction
CHM	Clearing-House Mechanism
COP	Conference of the Parties
GEF	Global Environment Facility
IFBs	Relevant legal instruments and frameworks and relevant global, regional, subregional and sectoral bodies
ISA	International Seabed Authority
LDCs	Least developed countries
LLDCs	Land-locked developing countries
MoU	Memorandum of understanding
PrepCom	Preparatory Commission
RoP	Rules of Procedure
SBs	Subsidiary bodies
SIDS	Small island developing states
STB	Scientific and Technical Body
ToR	Terms of reference
UNCLOS	UN Convention on the Law of the Sea
VTF	Voluntary Trust Fund