



SPC-EU EDF10 Deep Sea Minerals (DSM) Project



Six Monthly Progress Report *1st January – 30th June 2013*



Participants of the 2nd Deep Sea Minerals Regional Training Workshop engaging in government-company negotiations role-play

Prepared by:

Akuila K. Tawake
SOPAC Division
Secretariat of the Pacific Community
September 2013

IMPORTANT NOTICE

This report has been produced with the financial assistance of the European Union. The views expressed herein do not necessarily reflect the official opinion of the European Union.

More copies of this report can be obtained from the address below:

Applied Geoscience and Technology Division (SOPAC)
Secretariat of the Pacific Community
Private Mail Bag
GPO, Suva
FIJI ISLANDS
<http://www.sopac.org>
Phone: +679 338 1377
Fax: +679 337 0040
director@sopac.org

CONTENTS

Executive Summary	4
1. Introduction	5
2. Project Staff Recruitment	5
3. Key Result Area 2: <i>Formulation of National Deep Seabed Minerals Policy, Legislation and Regulations</i>	6
3.1 Country Visits and Consultations	6
3.2 Development of National Legal Instruments	8
4. Key Result Area 3: <i>Strengthened and increased national capacities</i>.....	10
4.1 Regional Training Workshop.....	10
4.2 DSM Training Placement	16
4.3 Legal Internship	17
4.4 Ship Board Training.....	18
4.5 Information Sharing	18
4.6 Procurement of Office Equipment for Tonga	21
5. Key Result Area 4: <i>Effective management and mechanisms for the monitoring of offshore exploration and mining operations</i>	21
5.1 UNEP/GRID-Arendal Assessment Report	21
6. Communication and Visibility	22
7. Consultants	23
8. Project Finances.....	24

Executive Summary

The first six months of 2013 marks another exciting period of project implementation at both regional and national level. Efforts are continuing to assist countries with the development of national legal instruments by which the SPC-EU Deep Sea Minerals (DSM) Project has been providing legal advice and drafting assistance to a number of countries during the reporting period.

The DSM Project has developed a 'guide to developing a National Deep Sea Minerals Policy', and also Seabed Minerals Legislation template that ensure conformity to international law and capture the necessary technical provisions relating to mineral development. These templates can be used by any Pacific ACP States to develop their own policy and law, and the DSM Project offers additional support in adapting the templates to fit the country's requirements. By the end of June, national seabed minerals legislation and regulations for Tuvalu and Niue had been drafted by the DSM Project and sent to their respective legal agencies.

In an effort to address knowledge gaps and enhance capacity relating to deep sea mineral activities in the Pacific Islands region, two regional training workshops were held within the first half of 2013. Representatives of relevant government agencies, civil society organisations, and the private sector were invited to attend. The first of these two workshops specifically focused on "Deep Sea Minerals Law and Government-Company contract negotiations. In addition to the relevant information presented on the legal aspects of deep sea minerals and contract negotiations, participants were also exposed to a government-company negotiations role-play.

The second workshop of 2013 addressed "Social Impacts of Deep Sea Mineral Activities and Stakeholder Participation". Participants were presented with both positive and negative social impacts of other extractive industries. In encouraging stakeholder participation, group discussions and role-play were part of the workshop to assess the lessons learned from other extractive industries, and how management of social impacts and public engagement mechanisms can be improved for the new deep sea minerals industry. Additional training initiatives include selected Pacific ACP States' nationals who were funded by the DSM Project to attend other capacity building events.

Another significant achievement was the development and subsequent implementation of a DSM Project communication strategy during the reporting period. The Communications Strategy is designed to enable the DSM Project Team to select and implement priority communications activities needed to help the Project successfully achieve its objectives. Also captured in the strategy are some important communications aspects that enable project partners to participate in DSM awareness and information sharing that will ultimately bring about positive behaviour change among stakeholders.

1. Introduction

The Secretariat of the Pacific Community (SPC) through the DSM Project continued to assist Pacific ACP States in addressing specific issues relating to the governance and management of DSM resources in the first half of 2013. Building on the achievements of 2011 and 2012, significant progress has been made in the first six months of 2013, particularly in Key Result Areas 2 and 3. Efforts have also been focused on developing and implementing a project communication strategy including information sharing and stakeholder engagement.

The Papua New Guinea National Deep Sea Minerals Stakeholder Consultation Workshop held in early May marks the completion of in-country consultations in all 15 Pacific ACP States. Common and country-specific deep sea mineral issues have been identified during these stakeholder consultations. The DSM Project, in collaboration with in-country partners, has put in place and progress strategies to address them. This has been reflected in the 2013 project work plan, and despite the challenges that have been encountered, task implementation is progressing well.

Apart from the development of national legal instruments, knowledge gaps and lack of resources are two common challenges among Pacific ACP States. The DSM Project has spent and will continue to allocate significant resources on regional training workshops to develop and enhance knowledge on specific deep sea mineral issues. To ensure the sustainability of capacity building initiatives, a longer term capacity development plan, to build on the DSM Project, needs to be formulated and implemented.

This report highlights project activities that were accomplished in the first six months of 2013 in accordance with the three remaining Key Result Areas of the DSM Project¹.

2. Project Staff Recruitment



Upon the endorsement of the EU, two new project positions were advertised in the reporting period.

The position of Legal Assistant was advertised in February 2013, and following the interview, Ms Annie Kwan Sing was offered the post and was in post in May. Ms Sing is Fijian/I-Kiribati and is a law graduate of the University of the South Pacific. She was one of the DSM Project Legal interns in 2012. The Legal Assistant will be assisting the Project's Legal Adviser in attending to legal issues relating project legal activities.

Name: Annie Kwan Sing

¹ Key Result Area 1: 'Development of Regional Legislative and Regulatory Framework' for offshore minerals exploration and mining, was completed in 2012, see: http://www.sopac.org/dsm/public/files/reports/SOPAC_RLRF_for_DSM_Final_12.07.12_.pdf

Secondly, the DSM Legal Adviser position was advertised in March. At the closure of the advertisement in April, only three applications were received and none of them met the requirements for the post. It was then decided that the job description for this position be reviewed and the position has to be readvertised. At the end of the reporting period the position has been readvertised and is expected to be filled in the second half of this year.

3. Key Result Area 2: *Formulation of National Deep Seabed Minerals Policy, Legislation and Regulations*

3.1 Country Visits and Consultations

The PNG National Deep Sea Minerals Stakeholder Consultation that was held in May 2013 marked the conclusion of the national stakeholder consultation workshops in all 15 Pacific ACP States. Further detail on the other national workshops and the purposes of holding them can be found in the 2012 DSM Project progress and annual reports.

The DSM Project Legal Advisor travelled to the Marshall Islands and the Federated States of Micronesia in May 2013, and met in each country with Government colleagues, to discuss next steps for developing national law and policy for DSM regulation - building upon the national stakeholder workshops held in June/July 2012.

3.1.1 Papua New Guinea

The PNG National Stakeholder Consultation Workshop on DSM was held at the Mineral Resources Authority (MRA) headquarters in Port Moresby on the 2nd of May 2013. It was organized by the DSM Project in collaboration with PNG's Department of Mineral Policy and Geohazard Management (DMPGM), as part of the combined effort to present the Project to in-country stakeholders, collectively discuss national priorities in relation to DSM issues, and agree on the way forward enabling SPC through the DSM Project to assist PNG in addressing those issues.

In attendance were officials representing the following government agencies: DMPGM, MRA, Department of Foreign Affairs, Department of Commerce and Industry, Department of Finance, Department of Justice, National Fisheries Authority, Petromin PNG Holding Ltd, University of Papua New Guinea, and Chamber of Mines and Petroleum. Resource owner and civil society organisation representatives were also present. A four-member team representing Nautilus Minerals Inc also attended the workshop led by the company's PNG Country Manager. Nautilus Minerals is the operator of the advanced Solwara 1 Project in PNG where deep sea mining is expected to commence soon.

The workshop was officially opened by Mr John Arumba, the Director of the Geohazard Management Division of the DMPGM. In addition to oral presentations delivered by the DSM Project Team, representatives of the DMPGM, MRA and Nautilus Minerals also made presentations at the workshop. A total of 44 participants attended the workshop (Figure 1).



Figure 1: Participants of the PNG National DSM Stakeholder Consultation Workshop.

In summary, eight major action points were identified during the workshop: (i) review the offshore mining policy, and the Mining Act 1992, (ii) support DSM law compliance initiatives, (iii) If required, support the review of the mining fiscal regime (currently reviewed by the Commonwealth Secretariat) including DSM to ensure reasonable fees, royalties, and taxes are paid to the state, (iii) provide technical and funding support to Government, NGOs and resource owners to participate in DSM environmental management and monitoring; (iv) regional organisations such as SPC to support and facilitate independent monitoring of deep sea mining in PNG; (v) hold DSM consultation and awareness raising initiatives with relevant stakeholders and local communities, (vi) support the participation of PNG nationals including NGO representatives and resource owners in DSM capacity building initiatives, (vii) longer term development of a school of excellence with one of the national universities (UPNG or UOT) to drive capacity development in marine scientific research and mineral prospecting, and (viii) support a cost-benefit analysis of deep sea mining in PNG.

Participants also highlighted that in light of PNG's experience in the mining sector together with the advanced nature of deep sea mineral activities in the country, the PNG Government should consider providing advice and technical assistance to other Pacific Island Countries. It was revealed that Tonga and Solomon Islands have indicated their interest in taking up any opportunity to learn from PNG.

3.1.2 Marshall Islands

The DSM Project Legal Advisor visited Majuro in May 2013, and met with representatives from across Government: (Ministry of Resources and Development, Ministry of Foreign Affairs, Marshall Islands Marine Resources Authority, Attorney General's Office, Coastal Management

Advisory Council, the Nitijela (Parliament), Office of Environment Planning and Policy Coordination, Environmental Protection Authority), and also the Chamber of Commerce.

The need to allocate responsibility for implementing the DSM Project in-country was identified, and different options (the Marine Resources Authority, the Coastal Management Advisory Council, or a new DSM task force) were proposed. It was agreed that the matter would be put to the Minister, and a Cabinet Paper explaining the issues and the proposals, was drafted. It was also agreed that Attorney General's Office would identify representative(s) to undertake a legal training placement with the DSM Project in Suva, later in the year.

3.1.3 Federated States of Micronesia

The DSM Project Legal Advisor visited Pohnpei in May 2013, spending time with the Ministry of Resources and Development and the Attorney General's Office. During the visit, briefings were provided to government officials (including Environment, and the National Offshore Resources Management Authority), and to the Resources and Development Standing Committee of the Congress of the Federated States of Micronesia ('FSM').

A thorough review of FSM's existing legislation was conducted, and a recommendation report for new DSM laws was submitted. It was agreed for the Assistant Attorney General to undertake a placement with the DSM Project in Suva in August 2013, in order to develop a first draft DSM Bill for FSM, to be presented to Congress later in the year.

3.2 Development of National Legal Instruments

The DSM Project has provided significant legal drafting assistance, and legal advisory services, to a number of countries during the reporting period. . Countries are using the "Pacific ACP States Regional Legislative and Regulatory Framework (RLRF) for Deep Sea Minerals Exploration and Exploitation", published by the DSM Project in 2012, to prepare and/or review their respective DSM legal instruments.

3.2.1 Tonga

To ensure that the draft Tonga Seabed Minerals Policy, Legislation and Regulations (provided by the DSM Project to Tonga Government in September 2012) are robust and commercially sound, a mining law Consultant was contracted by the Project to review these legal documents. Subsequently, suggested revisions were submitted to the Government of Tonga through the Attorney General's Office.

3.2.2 DSM Policy and Legislation Templates

The DSM Project has developed a national DSM policy template and a 'model law' template to ensure that any national DSM legal instrument captures appropriate provisions of international laws and relevant legal issues pertaining to deep sea minerals development. The law template has been developed for DSM licensing and regulation, containing options and commentary, to enable its use by any country.

While it is essential that such 'model's are properly adapted to each country's particular context, the use of the templates will ensure that Pacific ACP States adopt similar DSM policy and laws, and should trigger regional cooperation in areas of common interest such as marine scientific research and capacity building. The two template instruments will facilitate the drafting of national DSM policy and law with ongoing support from the DSM Project with regards tailoring them into a country-specific form. Copies have been shared with many Pacific ACP States.

3.2.3 Fiji International Seabed Mineral Management Decree

At the request of the Fiji Government, the DSM Project was instrumental in drafting Fiji's International Seabed Mineral Management Decree early this year, a law relating to Fiji's anticipated engagement with seabed activities in international seabed area ('the Area').

A first draft Decree was submitted by the DSM Project to the Attorney General's office and the Ministry of Foreign Affairs and International Cooperation (MFAIC) in January 2013. Subsequently, the draft Decree was presented by the Project's Legal Advisor to the Fiji Maritime Affairs Coordinating Committee (MACC). Through a series of meetings, supported by DSM Project personnel and the Solicitor General's office, the MACC members reviewed, clarified and amended provisions of the draft Decree.

Following the review, the Fiji Government embarked on in-country stakeholder consultations whereby the draft Decree was provided to relevant stakeholders for comments. The Decree was due to be finalised by the Attorney General's Office and Cabinet, and promulgated in July 2013. In doing so, Fiji will become not only the first Pacific ACP country to pass DSM legislation with the DSM Project's support, but also one of the first countries in the world to set a legal framework for future sponsorship or contract-holding in the 'the Area'.

3.2.4 Tuvalu Seabed Minerals Legislation and Regulations

The Tuvalu Seabed Minerals Bill and Licensing Regulations were prepared by the DSM Project at the request of the Tuvalu Government (subsequent to the legislative review report provided in 2012). These two legal documents have been completed and submitted in June 2013 to the Office of the Attorney General and the Ministry of Lands and Natural Resources in Tuvalu, along with the DMS Project's guide to developing a national DSM policy. The Project is awaiting feedback and further instructions regarding the public consultation and subsequent review of the legislation and regulations.

3.2.5 Niue Seabed Minerals Legislation and Regulations

After receiving the official request from the Government of Niue, the DSM Project embarked upon a desk review of Niue's existing legislation, and provided a report in April 2013 identifying where there were gaps with regards the management of potential DSM activities. Subsequently the DSM Project completed a draft Seabed Minerals Bill and Licensing Regulations for Niue, which were submitted to the Government of Niue through the Crown Law Office and the Ministry of Works in June 2013.

A copy of the DSM template for developing a national DSM policy was also provided to the Government of Tuvalu. Further advice is awaited on how the DSM Project may assist with the stakeholder consultation, policy development, and review of these two legal documents.

3.2.6 Other Legal Assistance

The DSM Project continues to provide legal advice and assistance on request to Pacific ACP States during the reporting period. Project personnel have been involved in the review / preparation of other legal documents, and responding to ad hoc requests for legal advice, relating to DSM for a number of countries.

4. Key Result Area 3: *Strengthened and increased national capacities*

In responding to regional and national capacity needs, and taking into account specific P-ACP States and other stakeholder requests, the DSM Project continues to implement appropriate capacity building initiatives. These include providing funding for nationals of Pacific ACP States to participate in national and regional training workshops, short-term training placements, international conferences, shipboard training, and data management.

4.1 Regional Training Workshop

Part of the DSM Project's capacity building initiative is to organise a series of regional short-term training workshops on various technical, policies, contract negotiations, stakeholder participation and fiscal matters relating to DSM. In addition to the 1st Regional Training Workshop that was held in Nadi Fiji in August 2012, the DSM Project in collaboration with the host governments convened the 2nd and 3rd regional training workshops in the first half of 2013. These events were designed to enhance the knowledge of participants representing various interest groups on issues relating to DSM. Representatives of Pacific ACP States Governments, as well as Civil Society Organisations (CSO) were supported by the DSM Project to attend and participate in these training workshops.

Similar to the first workshop (held in July 2012), appropriate training materials were delivered through:

- lectures,
- case study presentations,
- short mixed-group exercises,
- panel and plenary discussions,
- role-play, and
- provision of relevant training materials to each participant (i.e. reports, handouts, power point presentations, and video clips)

4.1.1 2nd Regional Training Workshop – DSM Law and Contract Negotiations

In response to a specific request made by Pacific ACP States representatives during the 2012 DSM Project Steering Committee that was held in Noumea New Caledonia, the DSM Project had decided to convene a workshop on DSM Law and Government-Company

Contract Negotiations. Recognising that many Pacific ACP States do not have the necessary capacity and negotiation skills to engage with the extractive industries, the convening of a training workshop to address these issues was considered a matter of priority.

The 2nd Regional Training Workshop was held at the Fa'aonelua Convention Centre in Nukua'lofa Tonga between 11th and 15th March 2013. The workshop focused on the theme: "Deep Sea Minerals Law and Government-Company Commercial Agreement Negotiations", to enable participants better understand important legal and contract negotiation aspects of DSM activities.



Figure 2: Participants of the 2nd Regional Training Workshop in Nukua'lofa Tonga.

A total of 72 participants representing government, CSO, private sector and international and regional organisations attended the workshop (Figure 2).

The objectives of the workshop were to enable participants to:

- Have a basic understanding of the composition and location of DSM deposits, and the associated marine biology.
- Have a realistic view of the likely benefits and costs for a State engaging in DSM.
- Understand a DSM company's operations and perspective.
- Have a good understanding of the international legal framework pertaining to the governance and administration of DSM resources, and how this can be implemented at national level.
- Be confident to enter into negotiations with DSM companies (or not to).
- Be able to spot a 'bad deal' or a 'good deal' for the country, and be able to identify aspects could be altered to make the deal more favourable.
- Have reference materials and know where to turn for assistance with any future engagement with DSM companies.

The workshop was official opened by the Honourable Mr Samiu Vaipulu, Deputy Prime Minister of Tonga (Figure 3A), and the SPC responding remarks were delivered by Prof Michael Petterson, Director of the SOPAC Division of the SPC.

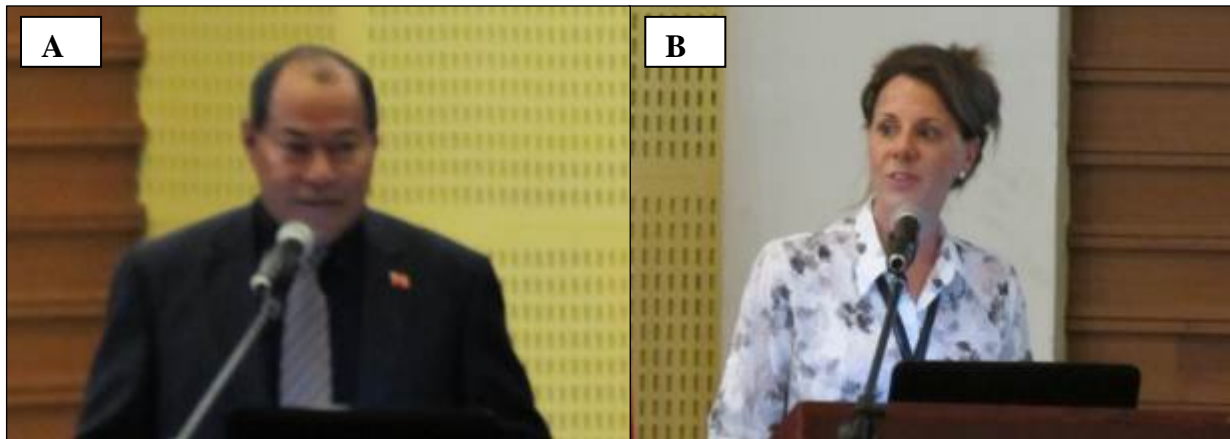


Figure 3: (A) *The Honourable Deputy Prime of Tonga, Mr Samiu Vaipulu, delivering the opening address;* (B) *Ms Mary Vitelli during one of her presentations.*

The DSM Project contracted Ms Mary Louise Vitelli (Figure 3B), a legal expert on mineral contracts (based in Dubai, United Arab Emirates) to present on mineral contract negotiations and provide advice during the contract negotiation role-play. Ms Vitelli, a US Attorney, has been engaged in international development with emphasis on extractive industry governance including extensive legal and regulatory drafting and negotiation for 20 years working with public and private sector and the donor community.

In addition to the DSM Project team, and Government official presentations, Ms Gwenaelle Le Gurun a Legal Officer at the International Seabed Authority (ISA) made an insightful presentation on the laws and procedures governing DSM resources in ‘the Area’. Further, Dr John Feenan of IHC Mining made a presentation on economic, social and environmental issues relating to mineral assessment and mining operations.

Three representatives of each P-ACP Government were invited and supported by the DSM Project with specific emphasis on identifying those who are most likely to participate in any real mining contract negotiations. Most country representatives were selected from government agencies such as foreign affairs, natural/mineral resources, finance, environment, fisheries, and justice. Selected CSO representatives were also invited and supported by the DSM Project.

The contract negotiations role-play was the highlight of this workshop and one whole day was allocated for this activity. Government workshop participants were divided into 10 groups comprising a mixture of scientists, lawyers, government policy makers, and diplomats. Five of the ten groups took the role of government negotiating teams, and the other five groups played representatives of mining companies. Each government team was given the same role information package while a different information package was given to each mining company team – providing a background case study and highlighting the groups’ interests, pressured and ultimate aim in the negotiations. A government and a company team were then paired up for negotiations (Figure 4A) that continued quite intensively throughout that day.

Additionally, non-governmental representatives at the workshop were given information packs highlighting advocacy and media objectives, and each ‘company’ or ‘government’ team was

encouraged throughout the day to meet with their civil society counterparts and hear their views on the negotiations, and to conduct media interviews, which were turned into short 'news clips', broadcast in plenary at the end of the workshop.

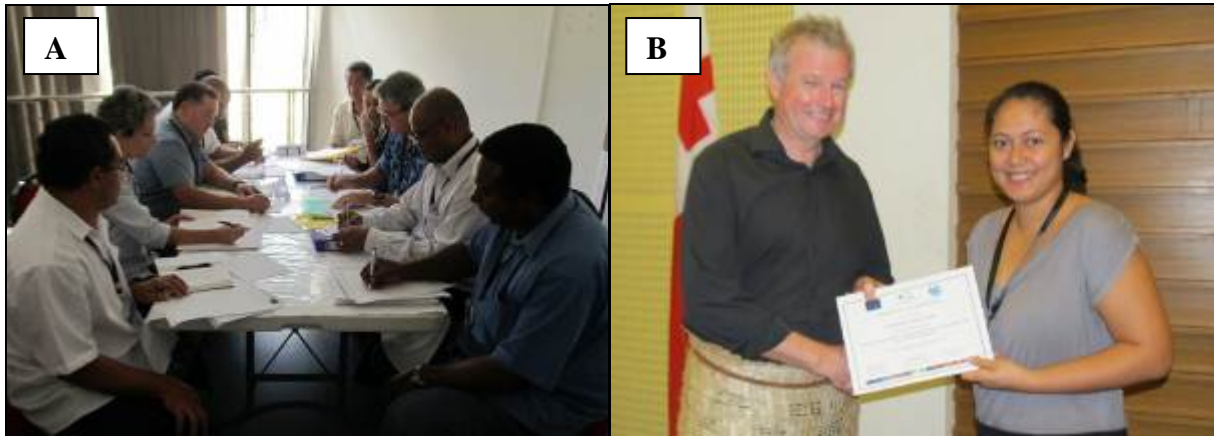


Figure 4: (A) Government and Company representatives during a negotiations session in the role-play; and (B) Certificate of Completion is issued by Mr Neil Adsett (the Attorney General of Tonga) to Ms Constance Rivers (Samoa Legal Officer).

Excellent feedback was received from participants, praising how well organised and practical the role-play had been. Some participants had mentioned that it had been an invaluable experience to learn so much about contract negotiation techniques and information gathering / due diligence prior to any negotiation. In the last session of the workshop, a prize each was given to the best negotiator and the best negotiation team. Finally, each participant was issued with a Certificate of Completion (Figure 4B) for their participation in this workshop.

4.1.2 3rd Regional Training Workshop – Social Impacts and Stakeholder Participation

Due to stakeholder concern on potential social impacts of DSM activities and the importance of meaningful engagement with key stakeholders to inform DSM decision-making, it was considered appropriate to conduct a training workshop to address these topics. Consequently, the 3rd Regional Training Workshop focused on “Social Impacts of Deep Sea Mineral Activities and Stakeholder Participation”. The workshop was held in Port Vila, Vanuatu in June 2023 and was organised by the SPC through DSM Project in collaboration with Vanuatu’s Department of Geology, Mines and Water Resources (DGMWR). A total of 75 people participated in this workshop (Figure 5).

The objectives of the workshop were to: (i) learn lessons from the social impacts of other industries; (ii) identify the likely social impacts of DSM activities as well as preventative and mitigating measures; (iii) demonstrate how informed decisions are made through broader stakeholder engagement; (iv) develop a process that ensures meaningful stakeholder participation in decision making relating to deep sea mineral activities, and (v) explore effective methods of conducting DSM awareness and information sharing.



Figure 5: Participants of the 3rd Regional DSM Training Workshop in Session.

Vanuatu’s Minister for Lands and Natural Resources, Honourable Mr Ralph Regenvanu delivered the opening address. In his speech, the Honourable Minister said that wider stakeholder consultation is needed before any further action is taken with regards DSM activities in Vanuatu. The Minister’s comments resonated well with the workshop’s objective to promote and encourage greater stakeholder consultation on DSM issues in the Pacific ACP States.

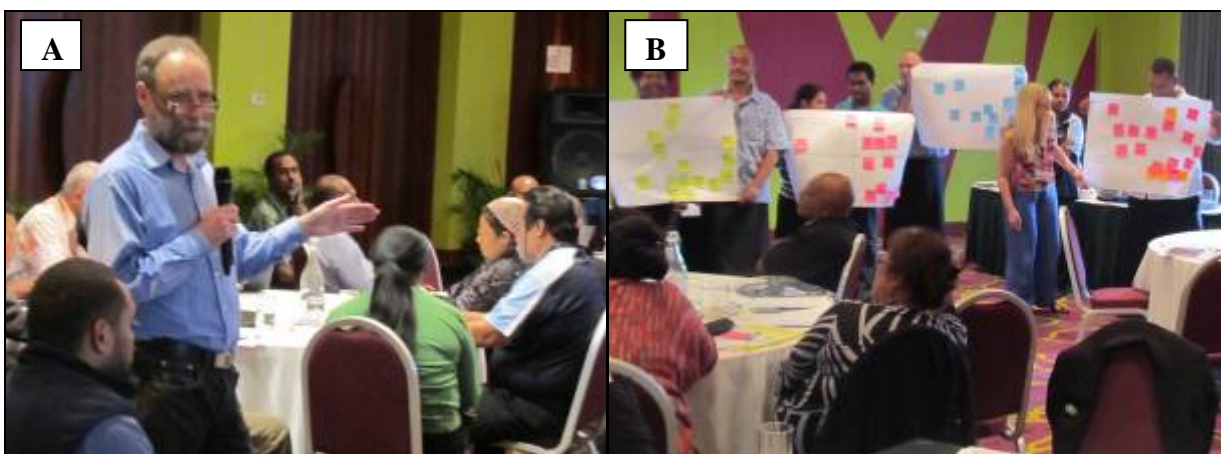


Figure 6: (A) Prof Colin Filer during one of sessions with participants; (B) Participants are displaying their group discussion findings during a session on stakeholder engagement.

In addition to the SPC in-house experts facilitating sessions, Prof Colin Filer (Figure 6A) and Mr Timothy Offer were contracted as resource personnel during the workshop. Prof Filer works

at the College of Asia and the Pacific, Australian National University and his main area of interest are: social context, organisation and impacts of policies, programs and projects in the mining, petroleum, forestry, and conservation sectors in Melanesia, with specific reference to Papua New Guinea. Mr Ofor, a Director of Pax Populus, specialises on social issue advisory, stakeholder relationships and sustainable development initiatives throughout the Asia-Pacific region. He provides stakeholder relations and conflict resolution services to the PNG resources sector.

A wide range of participants attended the workshop including representatives from CSO, deep sea mining companies and government officials from 14 Pacific ACP States. The event was a mixture of presentations, group discussions as well as group presentations (Figure 6B). Working groups were also involved in developing and demonstrating how they could effectively communicate DSM information to various in-country stakeholders including local communities (Figure 7A).

Other speakers who presented on specific topics and shared their experiences were: Mr Winterford Eko (PNG), Ms Tebete England (Kiribati), Mr Malakai Finau (Fiji), Ms Christy Haruel (Vanuatu), Mr Ian Bertram (FAME Division, SPC), Ms Emily Goris (IHC Mining), Mrs Yasap Popoitai (Ok Tedi Community representative, PNG), Steve Menzies (Communication Specialist), and representatives of exploration companies (Nautilus Minerals, and Neptune Minerals). A session was allocated to CSO representatives to present their collective views on issues relating to DSMs, and Ms. Natalie Lowrey of the DSM Campaign (Friends of the Earth, Australia) presented on the principle of 'Free, Prior and Informed Consent', and whether it could be applied to offshore resources.



Figure 7: (A) Kiribati's participants displaying their DSM communication strategy; (B) Ms Jeraldine Tudong of Palau is receiving her Certificate of Completion from the Director General of Vanuatu's Ministry of Lands and Natural Resources.

The workshop enabled participants to interact and share their concerns with each other, and to discuss potential challenges and opportunities for Pacific Island nationals if this new sector was to expand throughout the region. Further, group discussions highlighted issues pertaining to potential social impacts of deep sea mining, and the importance of public debate and engagement.

A Certificate of Completion was handed to each participant at the end of the workshop (Figure 7B).

4.2 DSM Training Placement

Following the dispatch in October 2012 of 26 selected Cook Islands manganese nodule samples to the US Geological Survey in Santa Cruz, arrangements were made between the DSM Project, Dr Jim Hein (USGS) and the Cook Islands' Seabed Minerals Authority (SBA) to identify a suitable Cook Islands' national to participate in the nodules' geochemical analysis, as well as data analysis and interpretation. Dr Duane Malcolm (Figure 8) was selected by the Cook Islands' SBA to undertake this activity.

The DSM Project provided full financial support for Dr Malcolm's training as part of its ongoing capacity building initiatives. Dr Jim Hein, a senior scientist at the USGS was responsible for Dr Malcolm's training.

In his trip report, Dr Malcolm described the three aspects of the training placement:

1. General Background: an introduction to the theory around geology, and the characteristics of manganese nodules and other DSM.
2. Analysis procedures: preparing nodules for analysis, X-Ray diffraction and chemical analysis, and statistical analysis of the nodules.
3. The Odyssey trip: tour of the RV Dorado, a deep sea research vessel.

The summary of the Cook Islands manganese nodules analysis was that they were higher in Cobalt (which was consistent with previous analysis results), Rare Earth elements, Tellurium and Titanium, but lower in Nickel and Copper. Dr Malcolm also performed some statistical



analysis on the first half of the Cook Islands data and some Clarion-Clipperton Zone (CCZ) data. A comparison of the nodule values of the CCZ and that of the Cook Islands was also conducted.

Figure 8: Dr Duane Malcolm (2nd from left) pictured in front of the ROV on the RV Dorado.

Dr Malcolm expressed his gratitude to the DSM Project, Dr Jim Hein and his team (Francesca Spinardi and Kira Runtzel) and the Cook Islands SBA team for their joint effort in making this great learning experience possible. A trip report for this training placement has been submitted to the SOPAC Division.

4.3 Legal Internship

The DSM Project's legal internship programme has attracted much interest among law graduates in the region. In the first 6 months of 2013, two more young Pacific lawyers participated in the internship programme. More legal interns and government lawyers are expected to participate in this programme in the next 6 months.



Name: Ms Taaitulagi Tuioti

Nationality: Samoan

Taaitulagi (also known as Lagi) completed her LLB Degree at Emalus Campus (Vanuatu) of the University of the South Pacific in 2012 and joined the DSM Project as part of her Professional Diploma in Legal Practice (PDLP) placement in April-May 2013. A proud representative of Samoa, she hopes to take back the knowledge she has acquired from the Project to improve Samoa's position with regards to its national laws, to help safeguard Samoa's ocean life and environment for the future.



Name: Mr Maito'o Hauire

Nationality: Solomon Islander

Maito'o also completed his undergraduate law degree at Emalus Campus, USP in 2012 and joined the DSM Project internship scheme for his PDLP work placement in 2013. While being an intern in DSM, Maito'o was involved in legal research, drafting and legislative review of regional country laws and the RLRF. He plans to return to the Solomon Islands after his training, and to pursue his interest in DSM.

Lagi and Maito'o were tasked to produce a first draft DSM Project Information Brochure 14 on 'Public Participation in DSM Decision-Making' to be discussed at the third regional workshop in Vanuatu (see above) and published in the latter half of 2013.

More information about the DSM Project legal internship programme can be viewed here:

<http://www.sopac.org/dsm/index.php/internship-program>

4.4 Ship Board Training

The DSM Project is encouraging nationals of Pacific ACP States to participate in shipboard training for DSM activities. Funds are available to support selected candidates to participate in seabed minerals exploration and related environmental surveys in collaboration with exploration companies and their respective governments.

Discussions are ongoing with Tonga Government and KIOST (Korea Institute of Ocean Science and Technology) regarding the two Tongan scientists who were involved in KIOST's recent drilling programme to participate in data analysis and interpretation in Korea. The DSM Project has offered to fund their participation in this proposed training placement.

4.5 Information Sharing

4.5.1 Communication Strategy

A Communication Specialist, Mr Steve Menzies, was contracted in early 2013 to develop a Communications Strategy for the DSM Project in consultation with the Project team, relevant staff of the SOPAC Division, and the SPC Regional Media Centre. The strategy is designed to enable the DSM Project Team to select and implement the priority communications activities needed to help the project successfully achieve its objectives. Secondly, it aims to effectively communicate accurate DSM information to a wider range of stakeholders in the region.

The objectives of the Communication Strategy highlighted a need to increase awareness and understanding of the DSM Projects' work to support 15 Pacific ACP States to:

- Develop the effective national frameworks and the capacity needed to strengthen the management of their deep sea minerals resources;
- Generate the information and evidence needed to inform national decision-making and improve the management of deep sea mineral resources;
- Increase the effective involvement of different stakeholder groups to strengthen the governance and management of deep sea minerals resources;
- Increase public and stakeholder understanding of all the relevant issues related to the management of their deep sea minerals resources;
- Take a precautionary approach to the national management of deep sea minerals resources that carefully weighs any possible economic benefits against potential costs to the environment and local communities;
- Build practical skills and technical capacity needed to participate effectively in the governance, management and monitoring of their deep sea minerals resources.

The strategy highlights that the DSM Project needs to carefully prioritize target audiences and to develop effective partnerships with influential project "champions" outside of the SOPAC Division, the NGO sector and effective engagement with the media. The reality is that some countries will require greater and more immediate support because of the nature of the DSM resources located in their national jurisdictions and the expected levels of commercial interest.

The DSM Project communications, through media releases, workshops, videos and the quarterly newsletter, have been enhanced during the reporting period as a result of implementing the strategy. Increasing stakeholder engagement was also realised.

4.5.2 DSM Documentary

Mr Steve Menzies was contracted to prepare a script and direct the production of the 1st DSM documentary with the support of the SPC Regional Media Centre. This documentary, called “Under Pressure” is a short video that examines the perspectives of different stakeholders involved with DSM resources in the Pacific. It has been finalised and distributed to many stakeholders in the region and beyond.

The documentary is briefly described below:

“Several Pacific Island nations are eagerly eyeing up the potential economic benefits from valuable deep sea mineral resources that have been discovered within their extensive maritime territories. Rising global demand for metals, combined with advances in mining technology, have spurred a rush of commercial interest in the potential profits to be gleaned from the depths of the ocean floor.

These Pacific Island Countries have now become the centre of an international debate over whether the sustainable economic benefits for Pacific Islanders will outweigh the environmental risks of harvesting precious metals from the bottom of the sea. This short film examines the deep sea mining issue from a number of perspectives including anti-deep sea mining NGOs, politicians, government agencies, deep sea mining companies, and the Secretariat of the Pacific Community”.

The following organizations are acknowledged for the provision of video footage that have been used in the documentary: Woods Hole Oceanographic Institute (WHOI), National Science Foundation (NSF) 2000, Pennsylvania State University, Neptune Minerals (US), Nautilus Minerals Inc, and SPC Regional Media Centre.

This documentary “Under Pressure” is the first of a series of three films supported by the DSM Project. The next two films will explore (i) the current state of scientific knowledge about DSM in the Pacific and (ii) the current situation in Papua New Guinea.

4.5.3 Project Newsletter

The DSM Project has instituted a quarterly newsletter, ‘The Prospect’, to ensure that stakeholders throughout the region are kept informed on recent and planned DSM Project activities, as well as DSM related issues in the region and beyond. The 1st Issue of the DSM Project newsletter (Figure 9) was prepared, finalised and distributed in June 2013. Hard copies were made available during the 2nd Regional Training Workshop held in Vanuatu in June 2013, and it was uploaded to the DSM Project’s webpage.



The newsletter includes selected interviews with key stakeholders from participating countries, NGO groups and scientific/technical experts. All project stakeholders (including media representatives) have been invited to subscribe to the newsletter (and other project communications) via email. Feedback on the structure and content of the Newsletter has been very positive.

Figure 9: The first Issue of the DSM Project quarterly newsletter 'The Prospect'.

4.5.4 DSM Project Mini Website

The DSM Project mini-website has been revamped with the assistance of the Communication Specialist (Mr. Steve Menzies) and the SOPAC Division ICT Specialist, to ensure user-friendly information accessibility.

The website <http://www.sopac.org/dsm/> is fully operational and stakeholders in the region have been advised that all relevant DSM information can be accessed and downloaded via the website.

4.5.5 Other Initiatives

The DSM Project continued to deliver a number of public presentations during the reporting period, including as guest lecturers at the University of the South Pacific; and at the United Nations Development Programme's Symposium on Managing Extractive Industries in the Pacific that was held in Nadi Fiji in March 2013.

A number of countries will be supported in the second half of this year to conduct in-country deep sea minerals awareness and information sharing programmes. Representatives of relevant government agencies, civil society organisations, local communities and the private sector will be invited to attend. Countries that are expected to conduct their respective DSM community awareness and information sharing with the support of the DSM Project are: Solomon Islands, Tonga, PNG, Cook Islands and the FSM.

4.6 Procurement of Office Equipment for Tonga

In response to the Tonga Government's request, the DSM Project has provided some much needed office equipment to the Natural Resources Division of the Tonga's Ministry of Lands, Environment, Climate Change and Natural Resources (MLECCNR). A server, a multi-media projector and a digital scanner-copier were purchased (in accordance with the SPC procurement guidelines) in support of the DSM Project's in-country capacity building and DSM data management objectives. Additionally, this assistance was initiated with a view of providing the Natural Resources Division with the necessary equipment to effectively perform their regulatory role and other DSM related activities.

5. Key Result Area 4: *Effective management and mechanisms for the monitoring of offshore exploration and mining operations*

5.1 UNEP/GRID-Arendal Assessment Report

The draft assessment report on the state of knowledge of Pacific Marine Minerals has been completed by UNEP/GRID-Arendal (contracted by DSM Project in June 2011 for this purpose) and sent to the SOPAC Division for review. As highlighted in the 2012 annual report, there have been delays in finalising this report, largely due to chapter authors and reviewers (working on voluntary basis) having some difficulties in finding the time to complete the chapters that have been allocated to them. Also significant amount of time is required by certain authors and reviewers to ensure the content is up-to-date and of the highest quality.



The report will comprise the following parts:

- Executive Summary
- Volume 1: A physical, biological and technical review
 - A. Sea-floor massive sulphides
 - B. Manganese nodules
 - C. Cobalt-rich crusts
- Volume 2: Deep Sea Minerals and the Green Economy: socio-economic, legal environmental policy, and fiscal aspects

Figure 10: *The final draft of Volume 1A of the Pacific Marine Minerals assessment report.*

The first Volume of the report was sent to the SOPAC Division for final review, and Figure 9 presents a copy of the front page of Volume 1A. UNEP/GRID-Arendal is expected to finalise and deliver the full report in the next reporting period, for publication and launch by the end of 2013.

6. Communication and Visibility

In addition to the information sharing initiatives of the Project as highlighted in Section 4.5 of this report, press releases have been issued from time to time through various media outlets in the regions. Project events during the reporting period have been adequately covered and some of the press releases are shown in Figure 11 below.

Participants of our regional training workshops have expressed their gratitude to the SPC and the European Union for the excellent work being carried out thus far. The financial support of the European Union had been highlighted in all official SPC press releases that were distributed to and published in media outlets within and outside the region.



Figure 11: Samples of DSM Project press releases in the first 6 months 2012.

7. Consultants

- Mr Steve Menzies, a Communication Specialist of Steve Menzies Consulting Ltd was contracted for a month between January and February 2013 to develop a communication strategy for the DSM Project and conduct media training for the Project team.
- Dr. Cristelle Maurin, a lawyer, was engaged on a two-stage contract, to support the work of the DSM Project Legal Advisor. Under the arrangement, Dr. Maurin first undertook a 3 month internship (January-March 2013), working with the Project and receiving training in DSM law and other relevant matters, before undertaking a 2 month consultancy (April-May 2013) to cover the DSM Project Legal Advisor's absence from the office due to work travel and annual leave.
- Ms Mary Louise Vitelli was given a short-term contract as an expert in mineral contract negotiation to help facilitate the 2nd DSM Regional Training Workshop that was held in Tonga in March 2013.
- Ms Siena Taumoepeau was contracted as a rapporteur during the 2nd DSM Regional Training Workshop that was held in Tonga in March.
- Ms Seruwaia Vasukiwai was given another 6 month contract (after the expiry of her last contract) to continue the collation relevant deep sea minerals data and information and to assist the Project Assistant when required.
- Mr Steve Menzies was engaged for a month between March and April to prepare press releases, produce the first DSM Project documentary, conduct video interviews with selected participants of the 2nd DSM Regional Training Workshop, compile the first Issue of the project newsletter, and review the layout of the Project mini-website.
- Ms Mary Louise Vitelli was given a short-term contract in May to review the draft seabed mineral policy, legislation and regulations prepared by the DSM Project for Tonga.
- Prof Colin Filer was contracted as a resource social scientist during the 3rd DSM Regional Training Workshop that was held in Vanuatu in June.
- Mr Tim Offor was engaged as a stakeholder engagement specialist during the 3rd DSM Regional Training Workshop that was held in Vanuatu in June.
- Mr Steve Menzies was offered a 1-month contract to facilitate the media engagement and effective information sharing session during the 3rd DSM Training Workshop that was held in June in Vanuatu and also to conduct interviews with workshop participants for the 2nd DSM documentary. Steve was also responsible for preparing a press release prior to the workshop and engaged local media to cover the workshop.

8. Project Finances

A summary of the DSM Project expenditure for the period January – June 2013 is presented below:

Activity	Actual Costs (FJD) (Jan to Jun 2013)	Actual Costs (Euro)
Technical Assistance:	198,236.00	79,689.00
Travel and Subsistence Costs:	61,564.00	24,748.00
Training	651,215.00	261,783.00
Equipment and Services	42,772.00	17,194.00
Consumable and Other Supplies	19,709.00	7,922.00
Consultancies	60,390.00	24,276.00
Field Surveys, Baseline and Monitoring	-	-
Dissemination of Project Outputs	39,949.00	16,059.00
Monitoring and Evaluation	-	-
EU Visibility	10,830.00	4,353.00
TOTAL (Direct Project Costs)	1,084,665.00	436,024.00