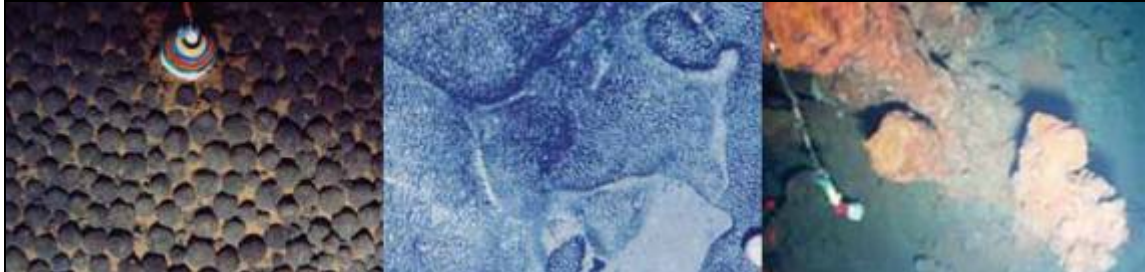




SPC-EU EDF10 Deep Sea Minerals (DSM) Project



2011 Annual Report

For the period January – December 2011



Participants of the International Workshop on Environmental Management Needs for Exploration and Exploitation of Deep Seabed Minerals, Nadi Fiji, 29th November – 2nd December 2011.

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IMPORTANT NOTICE

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Executive Summary

After the signing of the Contribution Agreement for the SPC-EU EDF10 Deep Sea Minerals (DSM) Project between the Secretariat of the Pacific Community (SPC) and the European Union (EU) in August 2010, the recruitment of Project staff was initiated. Over the first year (2011) of Project implementation, the three Project staff members were recruited and subsequently initiated a number of project activities and collaboration initiatives with implementing partners.

The inaugural DSM Project regional workshop that was held in Nadi Fiji in June 2011 was the first major event to be organised and hosted by the Project. This workshop was attended by representatives of Pacific ACP States, civil society groups, and private sector, as well as international, regional and national agencies. Also in attendance were a number of world renowned experts who presented and provided appropriate advice and guidance during the workshop. This workshop provided the opportunity to have an interactive dialogue on deep sea mineral issues, challenges and opportunities and move forward together to better understand and manage this new industry. At the conclusion of the workshop, a number of issues synthesised from group discussions and presentations were agreed as the outcomes of the workshop.

The UNEP/GRID-Arendal, the United Nations Environment Program (UNEP) collaborating centre located in Arendal Norway has been contracted to conduct a state of knowledge assessment of Pacific marine minerals. This assessment is based on previous marine scientific studies and exploration and UNEP/GRID-Arendal is coordinating this initiative. A technical Steering Committee, comprising a number of world renowned experts as well as representatives of the Project and key stakeholders in the region, has been established to guide and support the Project deliverables under this SPC-UNEP/GRID-Arendal partnership.

Country visits to Kiribati and Nauru were accomplished, where a national Deep Sea Minerals stakeholder consultation workshop was held in each country. The purposes of these national workshops were to present the DSM Project to in-country stakeholders, discuss various issues and concerns relating to deep sea minerals and mining, collectively identify national priorities and agree on an integrated way forward for deep sea minerals and mining.

Additionally, the Terms of Reference for the development of the Regional Legislative and Regulatory Framework (RLRF) was finalised and the first draft RLRF was completed and ready for distribution and consultation. Further, the Project has provided assistance in the rapid review of Papua New Guinea (PNG)'s Offshore Mining Policy and the Kiribati Offshore Minerals Strategy.

A notable milestone was the assistance and support offered by the SOPAC Division through the DSM Project to the International Seabed Authority (ISA) in hosting the International Workshop on Environmental Management Needs for Exploration and Exploitation of Deep Seabed Minerals in Nadi Fiji in late November-early December 2011. This workshop was hosted by the ISA in collaboration with the SOPAC Division and the Fiji Government. Apart from the assistance offered in organising this workshop, the Project also provided financial support to supplement the ISA budget, to enhance the number and diversity of attendees.

In 2011 capacity building initiatives were largely in the form of organising, and supporting attendance of, workshops and conferences. Through the inaugural DSM Project regional workshop and the International Workshop on Environmental Management Needs for

Exploration and Exploitation of Deep Seabed Minerals, world renowned experts who were supported by the Project have made presentations and shared their knowledge with Pacific ACP States participants. In addition, a candidate each from the Cook Islands, Tonga and PNG were supported by the Project to attend the Pacific Mining Conference that was held in Noumea New Caledonia in November 2011.

As part of the communication and visibility of the Project, media releases were prepared and disseminated through media outlets within and beyond the region in 2011. In addition, six information brochures were prepared and distributed to stakeholders during workshops, meetings and country visits. Further, the Project in collaboration with the ISA, Bluewater Metals, and Pennsylvania State University are in the process of producing two video documentaries – a short version (7-8 minutes) targeting P-ACP Leaders and a full 30 minutes one for the general public. The SPC Media Centre has been contracted to produce the two documentaries.

Over the first year, the Project has actively encouraged a stakeholder participatory approach of task implementation and has been reasonably successful in engaging with various stakeholder groups at national, regional and international levels.

1. Introduction

The European Union funded Deep Sea Minerals (DSM) Project is currently implemented by the Applied Geoscience and Technology Division (SOPAC) of the Secretariat of the Pacific Community (SPC) in fifteen Pacific ACP States. This regional Project commenced in early 2011, a few months after the signing of the Contribution Agreement between the European Union (EU) and the SPC in August 2010 in Port Vila Vanuatu. With the emerging interest in deep sea minerals in the region and in the international seabed area (the Area), the implementation of this Project in the context of a regional approach is timely and appropriate.

With the exception of the country visits and data gathering for the Regional Marine Minerals Database (RMMD), the implementation of Project activities appears to be on schedule after Year 1 (2011). Due to competing demands on Project personnel, only two countries were visited in 2011 (although the Project has been in correspondence and /or face-to-face contact at regional workshops, with representatives of all participating countries).

A number of milestones have been achieved in 2011 including the recruitment of the Project staff, the inaugural DSM Project regional workshop held in Nadi, Fiji in June, the country visits to hold national stakeholder consultation workshop, the completion of the Terms of Reference (ToR) for the Regional Legislative and Regulatory Framework (RLRF), the development of the first draft RLRF, capacity building activities initiated, and collaboration with the ISA and the Fiji Government to hold the International Workshop on Environmental Management Needs for Deep Seabed Minerals Exploration and Exploitation in Nadi Fiji.

This annual report presents the DSM Project achievements that have been accomplished in 2011 and highlights the work plan for 2012.

2. Project Staff Recruitment

All three DSM Project Staff were recruited in 2011 in accordance with the SPC recruitment process. Mr Akuila Tawake was appointed as the Project Team Leader in December and he officially started in post on the 1st February 2011. The appointment of the Legal Advisor, Ms Hannah Lily, was concluded in April but due to prior work commitment did not commence work until the 3rd of October. Lastly, Ms Vira Atalifo was appointed as Project Assistant in May and she subsequently took up the post on the 23rd of May 2011.

3. DSM Project Regional Workshop

The inaugural regional workshop for the SPC-EU EDF10 DSM Project was held at the Tanoa International Hotel in Nadi Fiji from the Monday 6th – Wednesday 8th June 2011. The workshop was titled *“High Level Briefing on the Status of Deep Sea Minerals in the Pacific Islands Region and Planning for a Regionally Integrated Way Forward”*. Apparently, this was to capture the significance of this event together with the in-depth sharing of information that was expected to take place on a broad range of deep sea mineral issues. A number of world renowned experts on marine minerals and associated issues attended the workshop as resource personnel to provide the necessary advice and guidance.

3.1 Purpose of the Workshop

The main objectives of the workshop were to present the SPC-EU DSM Project and provide an opportunity for country representatives to be briefed by presenters, including the experts, on various aspects of deep sea minerals. This would stimulate discussions among participants and collectively identify national and regional priorities, in order to agree on a regionally integrated way forward for deep sea minerals and mining. The workshop programme is appended (Annex 1).

3.2 Workshop Participants

A total of 97 participants (Figure 2) attended the workshop with the following representation:

Member countries of the Secretariat of the Pacific Community (SPC): Cook Islands, Federated States of Micronesia, Fiji Islands, France, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Timor Leste (a Pacific ACP State), Tonga, Tuvalu, United States and Vanuatu.

Government representatives: South Korea, and People's Republic of China.



Figure 2. Participants during one of the Workshop Sessions.

International, regional and national agencies: Commonwealth Secretariat, Duke University, European Union, IFM-GEOMAR, International Seabed Authority, International Union for Conservation of Nature (IUCN), Korea Ocean Research & Development Institute (KORDI), National Institute of Water & Atmospheric Research (NIWA), Pacific Islands Forum Secretariat (PIFS), Pennsylvania State University, Secretariat of the Pacific Regional Environment Programme (SPREP), UNEP/GRID-Arendal, United States Geological Survey (USGS), and World Bank.

Private sector and civil society entities: Anindilyakwa Land Council, BECA International Limited, Centre for Environmental Law and Community Rights Inc, Eco-Strategic Consultants, Envi-Green Pacific Consultancy Limited, Fiji Environmental Law Association, GeoPacific Limited, Greenpeace Australia Pacific, Kontiki Capital, Minerals Policy Institute, MUSKITS Law, Nauru Ocean Resources Inc (NORI), Nautilus Minerals Inc, North-South Environmental Law.

3.3 Chair's Summary

The following outcomes are the summary of key issues raised by each of the twelve groups during group discussions and presentations, as well as follow up comments and suggestions.

- **Regional Approach:** A regional approach to regulate the DSM sector and address seabed mining and related issues.
- **Capacity Building:** There is a great need for capacity building in all aspects of DSM and priority areas have been identified.
- **Technology Development and Transfer:** Encourage and support long-term technology development and transfer through partnership and participation.
- **Maritime Boundary and Trans-boundary Challenges:** Maritime boundary issues and trans-boundary challenges need to be addressed in accordance with the UN Convention on the Law of the Sea (UNCLOS).
- **Benefit Sharing:** The sharing of benefits derived from mining projects is a concern hence mechanisms for equitable sharing of financial and other benefits have been proposed.
- **Data and Information:** Collation of existing DSM data and information and the establishment of a regional database are crucial to understanding the state of knowledge.
- **Marine Scientific Research:** MSR needs to be encouraged and promoted in the region through the relevant initiatives in accordance with UNCLOS.
- **Community Concerns and Stakeholder Consultation:** Inclusive and ongoing consultations must be encouraged together with community engagement and participation.
- **Environment Protection Guidelines:** Suggested guidelines that support environment protection have been identified, and regional and national environment frameworks must conform to existing international and regional mechanisms.
- **Environment Conservation and Monitoring:** There is a need to balance exploitation and conservation, and protect and conserve marine biodiversity in accordance with the precautionary approach concept and UNCLOS.
- **Information Sharing and Outreach:** Information sharing is an integral part of a regional approach and transparency in ensuring stakeholders are better informed through various awareness programs.
- **Fisheries:** Perceived impacts on fishery resources are a concern hence the application of a precautionary integrated approach to ocean resources management is crucial.
- **Resource Assessment:** Systematic and detailed seabed mineral assessments are required to better understand mineral potential in the region.
- **Mining Technical Information:** Mining technical terms and processes need to be presented/explained in simple terms to stakeholders.

- **Legal Frameworks:** The development of regional and national frameworks needs to apply an adaptive approach as well as ensuring they are harmonised with international and regional treaties and conventions.
- **Fiscal Regime:** Countries must avoid reinventing the wheel and consider existing fiscal regimes in mining and other extractive industries, and tax instruments should be flexible and regionally harmonized.
- **Sustainable Economics:** DSM deposits are finite hence the need to balance economic imperative with the precautionary approach to optimise revenue streams and long-term sustainable benefits.
- **Governance and Transparency:** Proposed transparency mechanisms include the adoption of the “Norwegian Model” and the Extractive Industry Transparency Initiative (EITI) Plus for managing offshore mining revenues and benefits.

The proceedings of the workshop have been reviewed, finalised and ready to be distributed to P-ACP States and participants. An expanded Chair’s Summary and a detailed list of group discussion outcomes are included in the proceedings.

3.4 Workshop Evaluation

A workshop Evaluation Questionnaire was prepared and distributed to participants to fill in at the end of the workshop, to gauge the independent opinion of participants about every aspect of the workshop and to improve future DSM Project interventions.

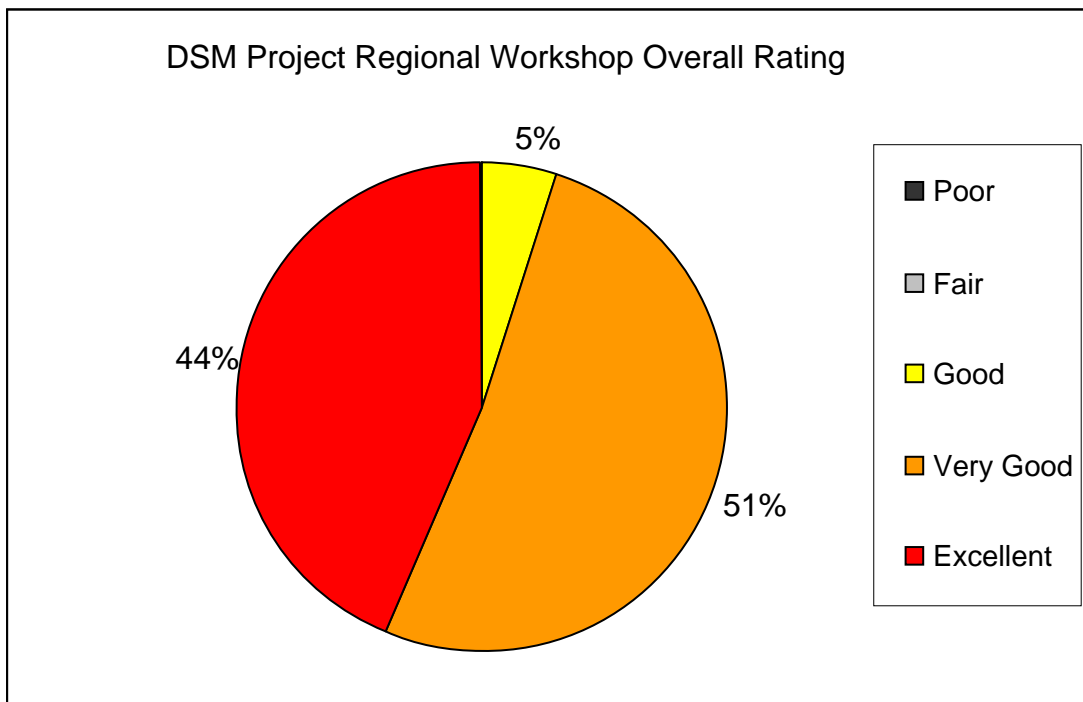


Figure 3. Pie Chart showing the participants’ overall rating of the workshop.

The completed evaluation forms were assessed and the pie chart above (Figure 3) shows the overall rating of the workshop. With the ratings of 44% Excellent; 51% Very Good and 5% Good, it can be concluded that the overall organisation and delivery of the workshop

was highly satisfactory. Participants have rated the range of deep sea minerals related topics, the coverage of each topic and the quality of information/ data presented very highly.

4. DSM Project Steering Committee

The DSM Project Steering Committee comprises a focal point representative from each of the Project's fifteen participating countries. There were two meetings of the DSM Project Steering Committee in 2011. The first one was held on Wednesday 8th June 2011 at the Tanoa International Hotel in Nadi Fiji. The meeting was chaired by Dr Russell Howorth (Director of the SOPAC Division, SPC) and attended by the representatives of participating countries and the DSM Project, as well as a representative each from the EU Delegation and the Pacific Islands Forum Secretariat (PIFS).

The Project Team Leader gave a project update and also highlighted the 2011 work plan during the meeting. Many DSM Project issues were raised and discussed and the minutes of the meeting was prepared and sent to attendees. The minutes of this meeting was included as an attachment in the Project six-monthly (January-June 2011) Progress Report.



Figure 4. The 2nd DSM Project Steering Committee Meeting during session in Nadi in October 2011.

The 2nd DSM Project Steering Committee meeting was held on Monday 17th October 2011 in the margins of the STAR / SOPAC Division meeting at the Tanoa International Hotel in Nadi Fiji (Figure 4). Most DSM Project participating countries were represented during this meeting as well as the European Union. After an update was delivered by the Project Team Leader, attendees were engaged in discussion and exchange of ideas. A number of country representatives have congratulated the Project team for the effort and progress made this far.

At the end of the meeting, a list of action points was agreed upon and the draft minutes of the meeting was subsequently sent to all attendees for comments. Briefly, the Committee met again on Wednesday morning (19/10/2011) to verify the minutes and endorse the action points. The minutes of the 2nd Project Committee meeting are attached (see Annex 1).

5. SPC-UNEP/GRID-Arendal Partnership

The DSM Project is working in partnership with the United Nations Environment Program collaborating centre (UNEP/GRID-Arendal) located in Arendal Norway, with the aim to assess the state of knowledge of Pacific marine minerals. This assessment is based on previous marine scientific studies and exploration, and the current level of knowledge amongst relevant experts and UNEP/GRID-Arendal is contracted to coordinate this initiative. The deliverables under this partnership which include an assessment report and an e-book will take a year to complete.

5.1 Technical Steering Committee Meeting

A technical Steering Committee for the Pacific Marine Minerals Assessment was established to guide and support the DSM Project deliverables under this SPC-UNEP/GRID-Arendal partnership. This technical Steering Committee should not be confused with the DSM Project Steering Committee that is mentioned in Section 4 above.

The technical Steering Committee consists of nineteen professionals comprising a number of world renowned experts as well as key stakeholders in the region (see Annex 2). The first meeting of the technical Steering Committee was held back-to-back with the DSM Project regional workshop in Nadi in June. Prior arrangements were made with these experts to participate in the workshop and attend the technical Steering Committee meeting on the 9th and 10th of June 2011.



Figure 5. Members of the technical Steering Committee in session during the 2nd meeting in December 2011.

The 2nd meeting of this technical Steering Committee was convened on Saturday 3rd and Sunday 4th December 2011. This meeting was scheduled to be held soon after the International Workshop on Environmental Management needs for Exploration and Exploitation of Deep Seabed Minerals, to allow members to attend this workshop prior to

the meeting. The objectives of 2nd steering committee meeting were to discuss draft chapters of the assessment report and issues relating to chapter content, and to agree upon the final structure of the report and the timeline for content delivery. The 2nd meeting was attended by 15 out of the 19 members of the Committee.

5.2 Final Structure of the Report

It was agreed that the report will be compiled in three volumes and all the chapters are expected to be completed and delivered to UNEP/GRID-Arendal at the end of January 2012. Below is the final structure of the product as agreed to by consensus by the Steering Committee:

Volume 1	Executive Summary
Volume 2: [Chap 3, 4, 5, 6]	<ul style="list-style-type: none"> ○ Volume 2A: <ul style="list-style-type: none"> ▪ Volume introduction ▪ SMS-Geology, Habitats, Environmental Impacts ▪ Technology
	<ul style="list-style-type: none"> ○ Volume 2B: <ul style="list-style-type: none"> ▪ Volume introduction ▪ Nodules-Geology, Habitats, Environmental Impacts ▪ Technology
	<ul style="list-style-type: none"> ○ Volume 2C: <ul style="list-style-type: none"> ▪ Volume Introduction ▪ Crusts-Geology, Habitats, Environmental Impacts ▪ Technology
Volume 3: [Chap 1, 2, 7, 8, 9, 10]	<ul style="list-style-type: none"> ○ Volume introduction ○ History ○ Drivers ○ Financial challenges/considerations ○ Society, ○ Economics, ○ Fiscal, ○ Policy

5.3 Revised Deadlines

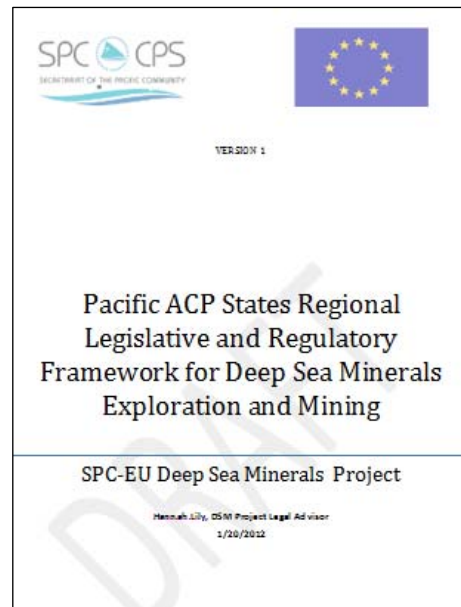
Agreed deadlines are given in the Table below. It was agreed that a call for chapter reviewers will go out as soon as possible to collect names and contact information of potential external reviewers that will be invited to review and/or contribute.

Deadline	Activity
Jan 31	Final chapter drafts submitted (pre-peer review)
Feb 1 to Feb 15	Peer review
Feb 15 to Mar 15	Revisions of peer review
Mar 15	Revised/final chapters submitted by author groups
May 1	Laid out draft 1 submitted to Steering Committee and to external review
June 15	Final print/e-book version delivered

6. DSM Regional Framework

The Terms of Reference (ToR) for the development of the Regional Legislative and Regulatory Framework (RLRF) was prepared and sent to Pacific ACP States and other interest groups for comments. During the DSM Project Steering Committee meeting in October, representatives of P-ACP States were urged to send in their comments in order to finalise the ToR. The ToR was finalised in November paving the way for the formulation of the RLRF to commence.

Subsequently, the RLRF was developed and the first draft was completed at the end of December 2011. It was initially reviewed in-house, and by one external international lawyer, contracted for this purpose, and was expected to be sent to representatives of P-ACP States and other stakeholders and interest groups for review and comments over January and February 2012. In encouraging a consultative and participatory approach, the draft RLRF will be distributed to a broad range of stakeholders and interest groups.



7. Development of National Policy and Legislation

A number of activities under Key Result Area 2 were initiated in 2011. These include the review of PNG's Offshore Mining Policy, the convening of a special meeting of Legal Advisers of four countries, and the preparation of drafting instructions for legislation development for Nauru and Tonga.

7.1 Review of PNG's Offshore Mining Policy

The DSM Project was asked to provide a rapid preliminary review of the draft PNG Offshore Mining Policy as part of the Project's assistance to PNG. A copy of the draft policy was made available after the workshop in June, and it was subsequently reviewed and sent to the Director of the Mineral Policy and Legislation Division in PNG.

7.2 Kiribati Offshore Minerals Strategy

At the request of the Government of Kiribati, the DSM Project has been assisting the Mineral Unit of the Ministry of Fisheries and Marine Resources Development (MFMRD) in developing the Kiribati Offshore Minerals Strategy Paper. The paper describes the medium to long-term national strategy for effective engagement in the deep seabed mining industry in an economic, environmental and social responsible manner.

7.3 Special Meeting of Legal Advisers

Private companies Nauru Ocean Resources Inc (NORI) and Tonga Offshore Mining Limited (TOML) were in 2011 granted exploration licenses in the international seabed area ("the Area"), an area specifically referred to as the Clarion-Clipperton Fracture Zone (CCFZ) under the sponsorship of the Governments of Nauru and Tonga respectively. Kiribati and Fiji have also expressed interest to participate in mineral exploration in the Area.

An Advisory Opinion, issued by the International Tribunal of the Law of the Sea in February 2011 (in response to a query raised by Nauru), clarified the legal responsibilities of a State sponsoring activities in the Area. This included an obligation to implement national legislation to exercise control over the sponsored entities.

A meeting of Legal Representatives/Advisers from Nauru, Tonga, Kiribati and Fiji with representatives of the DSM Project was convened at the Tanoa International Hotel in Nadi Fiji on Saturday 15th October 2011. The purpose of this meeting was to discuss how the DSM Project could assist these countries in developing their necessary legal frameworks to regulate the activities of their sponsored companies' exploration vessels in the Area.

It was agreed that the DSM Project Legal Advisor would prepare drafting instructions for the development of national DSM legislation for Nauru and Tonga. This may also be applied to Kiribati in the case of a joint venture partner is secured. Fiji has asked for assistance in the review of its Mineral Exploration and Exploitation Bill to incorporate mining activities within its national waters.

7.4 Drafting Instructions

The development of the drafting instructions for Tonga and Nauru was initiated in December and was expected to be completed by the end of January 2012. The drafting instructions will be a comprehensive document, providing guidance to the Crown Law / Parliamentary Counsel departments in each country (responsible for drafting legislation). The aim will be to assist the preparation of national legislation and regulations that will support Tonga and Nauru to meet their legal obligations to other States and the international community, and to ensure that activities under their control or jurisdiction are conducted with minimum risk of environmental or other harm, while providing sufficient incentives to promote investment and private sector participation in developing a national marine minerals industry.

A consultant was contracted to assist the Project Legal Advisor in preparing the drafting instructions. A legal graduate intern is also due to start a 5-week placement with the Project in January 2012, to provide support to the Project Legal Advisor.

8. Capacity Building

The inaugural DSM Project regional workshop and the International Workshop on Environmental Management needs for Exploration and Exploitation of Deep Seabed Minerals are also considered capacity building initiatives where world renowned experts were supported by the DSM Project to attend these two workshops and share their knowledge with participants from the Pacific ACP States.

8.1 Pacific Mining Conference

As part of the ongoing capacity building initiative of the Project, a candidate each from the Cook Islands, Tonga and PNG Governments were supported by the Project to attend the Pacific Mining Conference that was held in Noumea New Caledonia in November 2011. In consultation with the Secretary for Marine Resources in the Cook Islands, Mr Paul Lynch was fully funded by the Project to attend and present during the conference. Similarly, Mr Rennie Vaiomounga of Tonga and Mr Gregory Roaveno of PNG were jointly supported

by the Project and the Human Development Programme of the SPC to attend the conference.

This conference was an excellent opportunity for the two participants from Cook Islands and Tonga (where no metalliferous mining occurs) to learn various aspects of mining, gather relevant information, and interact with experts on mining issues. The visit to the SLN Nickel Mine in Thio New Caledonia was a great opportunity to witness mining operation activities and the surface disturbance due to excavation with associated environmental impacts.

8.2 Regional Marine Minerals Database

Other Project activities seemed to take precedence over the collation of data, maps and reports relating to deep sea minerals in the region hence little progress was made in 2011 on this front. More time and effort will be dedicated to data and information gathering in 2012 in preparation for the establishment of the Regional Marine Mineral Database (RMMD).

8.3 Training Initiatives for 2012

Additional capacity building initiatives are scheduled for 2012 including internship placements within the Project team, regional training workshops, lecture programmes (at the University of the South Pacific, and the Fiji Environmental Law Association), and when the opportunity arises on-the-job training on research and exploration vessels.

9. Country Visits

The DSM Project Team was able to complete two country visits during the reporting period. The two countries that were visited in 2011 are Kiribati and Nauru, where National Deep Sea Minerals Stakeholder Consultation Workshops were successfully completed.

The main objectives of conducting national workshops in each participating country are to: (1) present the DSM Project to in-country stakeholders, (2) discuss various issues and concerns relating to deep sea minerals and mining, (3) collectively identify and agree on national priorities and an integrated way forward for deep sea minerals and mining, and (4) provide the necessary guidance for the implementation of the DSM Project in each country.

Another four visits originally scheduled for the year were postponed until 2012. This was mainly due to the delay in all Project staff being in post in addition to other unplanned activities in 2011, such as the SPC-PNG Joint Country Strategy (JCS)¹ and the ISA-SPC-Fiji workshop that demanded significant amount of time and effort of Project personnel but were deemed complementary to the overall Project objectives and work and thus the Project team exercised flexibility in attending to these additional task areas. This delay will be rectified through dedicated country visits in the first half of 2012 to hold National Deep Sea Minerals Stakeholder Consultation Workshops and to visit and discuss relevant issues with key in-country stakeholders.

¹ The Joint Country Strategy (JCS) is a process whereby SPC in consultation with individual member countries (in this case PNG) design, implement, monitor and review its work programmes to effectively support the implementation of national development strategies.

9.1 Kiribati

The Kiribati National Deep Sea Minerals Stakeholder Consultation Workshop was held at Mary's Motel in Tarawa Kiribati on the 19th of September 2011. The workshop was organised by the DSM Project in collaboration with the Ministry of Fisheries and Mineral Resources Development (MFMRD) and was officially opened by Mr Ribanataake Awira, Secretary of the MFMRD. In attendance were representatives from various government ministries and departments including the Environmentally Safe Aggregates for Tarawa (ESAT Project), the University of the South Pacific (USP) Kiribati Campus, and Moroni High School. All key in-country stakeholders (government agencies, non-governmental organisations (NGOs), private sector, educational institution, communities) were invited to the workshop.

At the conclusion of the workshop, a number of outcomes were agreed to that would be the basis of the DSM Project intervention in Kiribati, thus contributing to the development of an enabling mechanism for the development of the country's offshore mineral industry.

9.2 Nauru

The Nauru National Deep Sea Minerals Stakeholder Consultation Workshop was held at the government building in Nauru on the 5th of October 2011. The workshop was jointly organized by the DSM Project and the Ministry of Foreign Affairs and Trade (MFAT) and was officially opened by the Minister for Commerce, Industry and Environment, Mr Dominic Tabuna. Present at the workshop were representatives from various government agencies, the private sector, NGOs, local communities, and academic institutions.

Participants were able to discuss and agree on a number of recommendations during the last session of the workshop, which will provide the necessary guidance for the implementation of the DSM Project activities in Nauru.

10. International Workshop on Environmental Management Needs for Exploration and Exploitation of Deep Seabed Minerals

The International Workshop on Environmental Management needs for Exploration and Exploitation of Deep Seabed Minerals was held in Nadi Fiji between the 29th November and 2nd December 2011. This workshop was organised by the International Seabed Authority (ISA) in collaboration with the SOPAC Division of the SPC through the SPC-EU DSM Project, and the Fiji Government. The Project played a pivotal role in the organisation of this event and also provided financial support for selected participants from Pacific ACP States, and experts.

This workshop was convened to follow up on the increasing interest in and associated concerns about the potential impacts of deep sea minerals exploration and mining and how responsible authorities will regulate this emerging economic development opportunity in a sustainable and responsible manner, both within national jurisdiction and in the Area. The workshop was attended by 79 participants from 18 countries.

During the last session of the workshop, participants were divided into three working groups. The first working group was tasked with preparing an Environmental Impact Assessment (EIA) template that could be used in the first instance by exploration contractors when carrying out activities requiring an EIA, whilst ensuring that the template was broad enough so that it would be applicable to exploitation. The second working group addressed the legislative and regulatory provisions that should form the

basis of environmental management of deep seabed mining activities, in areas within and beyond international jurisdiction. The third working group focused on identifying the capacity-building needs associated with seabed mining, particularly those related to environmental impact assessment.



Figure 6. Participants of the ISA-SPC-Fiji Workshop.

The outputs from the workshop included a draft template for an EIA for seabed mining; an outline of the legislative and regulatory provisions that should form the basis of environmental management of deep seabed mining; and the identification of capacity-building needs and methods by which these needs could be addressed. The resources produced for the workshop have been made available online, including: all presentation abstracts and slides / hand-outs, the three working group reports, film footage of the opening speeches and several presentations, and the final Workshop Report.

11. Information Sharing

Metalliferous mining occurs only in a few larger volcanic island countries such as PNG, Solomon Islands and Fiji, hence it is important to share basic minerals and mining related information with stakeholders throughout the Pacific Islands region. Information sharing is a crucial component of the DSM Project to ensure relevant information and data are disseminated to various sectors and communities that also contribute to stakeholder empowerment.

Given the broad range of stakeholders that attended the inaugural DSM regional workshop in Fiji in June 2011 and the emerging interest in deep sea minerals, it was fitting and appropriate to have information brochures (Figure 6) ready for distribution during the workshop. The following six information brochures were prepared, reviewed and finalised during the first half of 2011:

Information Brochure 1: Deep Sea Minerals (DSM) Project Overview

Information Brochure 2: Minerals and Mining Process

Information Brochure 3: Marine Minerals

Information Brochure 4: Marine Mining and Technology Development

Information Brochure 5: Mining Waste and Disposal

Information Brochure 6: Deep Sea Minerals Potential of the Pacific Islands Region



Figure 6. A sample each of the first four DSM Project Information Brochures.

Additional information brochures will be prepared in 2012 with particular focus on the seabed mineral potential within national jurisdiction of participating countries.

12. Communication and Visibility

In an effort to communicate project activities as widely as possible, press releases have been prepared and disseminated through media outlets within and beyond the region from time to time. Project events such as the inaugural DSM Project regional workshop and the ISA-SPC-Fiji workshop were adequately covered in the media. A local media consultant (Pacific Reach Limited) was contracted on an ad hoc basis to assist the Project in its communications work (i.e. press releases, web articles, TV and radio interviews, media liaison) prior to, during, and soon after these events. Interviews with world renowned experts and representatives of private companies that are active in the region were prepared as press releases and disseminated throughout the region.

The media coverage has resulted in the expression of interest from various stakeholders and interest groups in relation to Project activities, outputs and outcomes. Recently, the SOPAC Division has attracted a lot of media attention in regard to the implementation of the DSM Project and its role as the regional advisor on deep sea minerals and mining issues. Apart from the ongoing media releases in the region, the Project is also using its network to publish specific and ongoing project activities in a number of websites such as that of North-South Environmental Law, Pacific Island Legal Officers Network, UNEP/GRID-Arendal, Mineral Policy Institute (MPI) and the InterRidge News.

Some of the recent press releases are shown in Figure 7 below.



Figure 7. Recent DSM Project press releases that are available in the SOPAC Division website and have been disseminated to media outlets within the region.

The financial support of the EU has been highlighted in all SPC media releases.

12.1 In-Country Awareness

In an effort to raise in-country public awareness on issues relating to deep sea minerals, the local media are invited to attend the DSM Project national stakeholder consultation workshops in each country. Additionally, the government agency responsible for information is also invited to cover the event in radio and/or television interviews as well as news releases in local newspapers and government newsletters. With the assistance of the government focal agency, these interviews are conducted in English and/or the local language to ensure wider audience coverage.

During national workshops, key stakeholders have agreed to collaborate with the Project in disseminating relevant DSM information to the public in a responsible manner. A DSM news article that appeared in the October 2011 Issue Government newsletter in Nauru, following the National Deep Sea Minerals Stakeholder Consultation Workshop that was held in early October, is shown in Figure 8.

Deep sea minerals team meet with Government and NGOs

A team from the European funded Deep Sea Minerals (DSM) project was in Nauru this month (5 Oct) to conduct a workshop with Government officials and non-government organisations on key aspects of the Project.

The visit was to present the DSM Project as well as to assist in determining the needs and priorities for Nauru in terms of policy and legislation development, capacity building and other deep sea mineral related issues.

The DSM Project comes under the Pacific Islands Geoscience Commission (SOPAC) which is the scientific arm of the Secretariat of the Pacific Community (SPC). It is based in Fiji and is the coordinating body for the four year (2011-2014) DSM Project.

The Project is worth 4.7-million Euro, a grant provided for by the European Union (EU).

Minister for Commerce, Industry and Environment (CIE) Hon. Dominic Tabuna welcomed team leader Mr Akuila Tawake and Ms Vira Atalifo for their timely visit to Nauru.

Nauru has an added interest to the DSM Project because of its sponsorship of

the Nauru Ocean Resources Incorporated (NORI) company. NORI is a Nauruan company sponsored by the Republic of Nauru dedicated to the exploration of sea minerals and carry out environmental studies in the international seabed area.

SOPAC is the scientific arm of the Secretariat of the South Pacific (SPC), based in Fiji. SPC is the co-ordinating body for the four year (2011- 2014) DSM project worth 4.7 million Euro grant provided for by the European Union (EU).

SPC has taken on a regional approach in assisting member countries develop specific legislative frameworks and human and technical expertise necessary for the governance and management of deep sea mineral resources.

"The government of Nauru looks forward to the outcomes of this workshop for guidance and advice on how the SPC-EU DSM Project may assist Nauru in developing its legal system, laws and regulations and to comply not only to its domestic and regional obligations for Deep Sea Exploration and Mining, but also to comply to its sponsoring commitment as a sponsor of NORI," Minister Tabuna said.

Mr Tawake and Ms Atalifo presented the proposed regional approach together with the current status of marine minerals exploration and mining in the region.

The participants were asked to describe their understanding and opinion of country and national deep sea minerals as well as their expectation of the project.

Environmental issues dominated the discussions as the impact of seabed mining on the environment such as pollution, marine life and climate change were relatively unknown.

"There is no mining happening at this stage anywhere in the world just exploration," Mr Tawake said

The meeting also acknowledged the likely economic and social impacts of seabed mining on Pacific Island countries, the need for effective management of the mineral resources through law, capacity building, a sound and effective fiscal regime, ensuring transparent processes and increased regional collaboration.

Figure 8. DSM news article in the October 2011 Issue of the Nauru government newsletter.

12.2 DSM Documentary

As part of the DSM Project Communication and Visibility, the Project in collaboration with the ISA, Bluewater Metals, Pennsylvania State University, Woods Hole Oceanographic Institute (WHOI), and the National Science Foundation (NSF) 2000 are in the process of producing two deep sea minerals video documentaries – a short version (7-8 minutes) targeting P-ACP Leaders and a full 30 minutes one for the general public. The SPC Media Centre has been contracted to put the documentaries together. This advocacy initiative is not only intended to highlight the minerals wealth of the Pacific Islands region and the need to put in place the necessary policy and legislation but also to present the environmental issues and concerns that necessitate the application of the precautionary approach in the development of deep seabed minerals.

A SPC media crew attended the ISA-SPC-Fiji Workshop and the 2nd technical Steering Committee, held in Nadi Fiji in late November – early December, to carry out video shooting and conduct interviews with some of the experts. Project partners on this initiative will provide video footage of relevant meetings, research/exploration ships and underwater activities for the two documentaries. The rough cuts of these two DSM documentaries are expected to be ready for review in April 2012 and the final products are scheduled to be finalised and delivered in June of the same year.

13. Consultants

- The Norway based UNEP/GRID-Arendal has been contracted to carry out the Pacific Marine Minerals Assessment for the period June 2011 to June 2012. The Consultant shall ensure that all necessary capacities and competencies as required from the international expert community are secured for the duration of the Agreement.
- Pacific Reach Limited was engaged as a short-term consultant to cover and coordinate press releases prior to and during the inaugural DSM Project regional workshop in Nadi in June. This consultancy was part of the ongoing Communication and Visibility component of DSM Project.
- Ms Hannah Lily (DSM Project Legal Advisor designate) was offered a short-term contract to attend and participate in the DSM project regional workshop, the Steering Committee meeting for the Pacific Marine Minerals Assessment and other associated engagements. Hannah had to take unremunerated leave to attend these meetings.
- Ms Hannah Lily (DSM Project Legal Advisor designate) was contracted on a part-time basis to perform a number of duties that were considered priority areas for the Project and in line with the position of Legal Adviser, prior to her start-date in post. This contract was valid for the period June to September 2011.
- The New Zealand based North-South Environmental Law firm was contracted on a short-term one-off basis (December 2011 – January 2012) to provide expert overview assistance to the Project Legal Advisor in the preparation of the Drafting Instructions for Tonga and Nauru as well as the draft Regional Legislative and Regulatory Framework.
- The SPC Media Centre has been contracted to produce the short and full Deep Sea Minerals documentaries. These products are schedule to be completed in June 2012.

14. Project Finances

An audited DSM Project financial report is given in Annex 3.

15. 2012 Work Plan

The DSM Project work plan for 2012 is shown in Annex 4.

ANNEX 1

2nd DSM Project Steering Committee Meeting

*Tanoa Room
Tanoa International Hotel
17 October 2011
11am – 1pm*

1) Participants

- Russell Howorth - SOPAC (Director) **(RH)**
- Isaac Lekelalu – Ministry of Mines, Energy and Rural Electrification, Solomon Islands (Deputy Director) **(IL)**
- Gregory Roaveneo – Dept of Mineral Policy and Geohazards Management, PNG (Assistant Director) **(GR)**
- Hannah Lily - SOPAC (DSM Legal Advisor) **(HL)**
- Akuila Tawake – SOPAC (DSM Team Leader) **(AT)**
- Vira Atalifo – SOPAC (DSM Project Assistant) **(VA)**
- Thierry Catteau – EU Delegation for the Pacific, Suva (Attaché) **(TC)**
- Rennie Vaiomou'nga – Ministry of Lands Survey and Minerals Resources, Tonga (Geologist) **(RV)**
- Peter Jacob – Nauru High Commission, Suva (First Secretary) **(PJ)**
- Michael Aroi – Dept of Foreign Affairs and Trade, Nauru (Acting Secretary) **(MA)**
- Arthur Webb – SOPAC (Deputy Director, Ocean and Islands Programme) **(AW)**
- Faatasi Malologa – Dept of Lands and Survey, Tuvalu (Director) **(FM)**
- Deve Talagi – Dept of Works, Niue (Director) **(DT)**
- Tearinaki Tanielu – Ministry of Fisheries and Marine Resources Development, Kiribati (OIC, Mineral Unit) **(TT)**
- Maryanne Namakin - Ministry of Fisheries and Marine Resources Development, Kiribati (Senior Assistant Secretary) **(MN)**
- Lameko Talia – Ministry of Natural Resources and Environment, Samoa (Principal Scientific Officer) **(LT)**
- George Hoa'au – Ministry of Foreign Affairs, Solomon Islands (Assistant Secretary) **(GH)**
- Steven Barrett – Ministry of Finance and Economic Management, Cook Islands (Senior Project Officer) **(SB)**
- Chris Ioan – Dept of Geology, Mines and Water Resources, Vanuatu (Director) **(CI)**
- Peni Suveinakama – Ministry of Foreign Affairs, Fiji (Political and Treaties Officer) **(PS)**

2) Welcome:

RH welcomed the representatives from the P-ACP States, the EU delegation in Suva, and SOPAC attending the meeting. He and **TC** clarified that while the RAO function for EU-funded projects remains with PIFS (the Secretary General) as previously, the technical support facility of RAO office (3-4 staff) is no longer in existence.

RH advised that there was some interest in deep sea mining amongst overseas territories in the region, particularly French Polynesia, New Caledonia, and Wallis and Fortuna, and that they may be seeking to establish a similar project, that would operate alongside the DSM Project. **TC** clarified that the OCTs and P-ACP countries are funded from separate envelopes, so decisions on funding for OCTs does not impact upon the P-ACP states.

Agreed: that OCTs should be invited to attend future Steering Committee meetings, with observer status. Such status would mean that they could attend at their own costs, and participate in discussions where invited, but would not have any participation in decision-making. **The DSM Project team will convey that message to the OCTs.**

3) Minutes of last meeting:

AT referred the Committee to the previous minutes.

TC made a point of clarification to point 3.13 of the minutes to emphasise that it is role of technical support office to RAO that has been made redundant, not the role of the RAO.

RH made a point of clarification: throughout the minutes reference to 'PIC's is not correct, it should be 'P-ACP', the term that is used by the EU, particularly as East Timor (who are not part of the Pacific Forum) are part of the Project.

With these corrections, the minutes were agreed.

4) Project Progress

A six-month Project Progress Report had been sent by email to the Steering Committee in August 2011. **AT** also provided the meeting with an update of the Project's progress in 2011.

- **AT** started as Project Team Leader on 1st February 2011; **VA** took up her role as Project Assistant at the end of May 2011; and **HL**, having attended the June 2011 inaugural workshop and first Steering Committee meeting, officially started in post as Legal Advisor on 3rd October.
- An inaugural DSM Project workshop was convened in June 2011, and was attended by a broad range of stakeholders, including P-ACP State representatives, experts, NGOs. Feedback was extremely positive and the Project Team considered it a great success at launching and mapping out the next 4 years of Project.
- The first DSM Project Steering Committee meeting was convened in June 2011 during the inaugural project workshop.
- A one-year contract (which will run to mid-2012) was entered into with UNEP Grid-Arendal, based in Norway, to carry out an assessment of the state of knowledge of DSM in the region, and other relevant knowledge available globally. This will be an assessment of previous scientific research and exploration - not the collection of new data.
- A technical Steering Committee for the Pacific Marine Mineral Assessment for UNEP Grid-Arendal's work also met in June 2011 – soon after the inaugural project workshop. This group, made up of experts from around the globe, are giving their time at no cost to share knowledge and to write a report, which will also be presented in an e-book format. **AT** and **HL** are also both contributing to these publications, which will be made available to participating countries to use in the development of national policy, legislation and regulations.
- The Project has prepared and published six information brochures, designed for any audience interested in DSM. These have proven popular, and been disseminated in hard

and electronic copy to key stakeholders such as participating countries, NGOs and private sector.

- AT and HL responded promptly to an ad hoc request from the Government of PNG to review and provide comments on their offshore mining policy.
- Ongoing technical and policy advice has been provided to Kiribati, Tonga and Nauru.
- A draft Project workplan has been developed by the Team for 2011-2014, which takes into account the guidance received from countries at the June workshop and Steering Committee meeting. **This will be circulated to the Steering Committee for comment.**
- Country visits were conducted to Kiribati in September and Nauru in October, to introduce the Project and to convene a national stakeholder consultation meeting. The Project aims to visit a further 12 countries by first half of last year (excluding Fiji who host SPC). **AT will contact each country to discuss timing for the visit.**
- Draft Terms of Reference for the development of the Regional Legislative Regulatory Framework ('RLRF' - a key deliverable of the Project) were prepared and sent out to Project countries and other partners for review and comment. The only comments received so far have been from industry and NGOs. **Project countries are requested again please to respond - AT will re-send the document.**
- HL is preparing an initial suggested outline of the RLRf, which **we will share with participating countries, and will also request their response to that.**
- Last Saturday (15th October) a special meeting was convened for Project countries who are involved (or who have plans imminently to be involved) with DSM in the International Seabed Area^[1], to discuss how the Project can assist those countries to put in place necessary legislative measures to regulate these activities. Senior Legal advisors from Tonga, Nauru, Kiribati and Fiji met with the Project team to discuss the way forward, and have agreed on an action plan for this and next year.
- Work has begun on convening a Workshop to be jointly organised and hosted by the ISA, SOPAC and the Fiji Government (to be held at the Denarau Island Radisson in Fiji from 29th November to 2nd December). The Workshop will have particular focus on environmental management needs for exploration and exploitation of deep seabed minerals.
- Work has also begun on convening a second Technical Steering Committee meeting (on 3rd and 4th December) to discuss the first draft of the Assessment Report.

Meeting participants congratulated Nauru and Tonga for their success in sponsoring private sector entities who have secured contracts to explore in the Area: a major achievement, making them the first developing states sponsoring work in the CCZ, alongside 8 developed countries.

^[1] Project countries will be aware of the applications from companies sponsored by Nauru and Tonga to the ISA to explore the International Seabed Area, and that those companies in July were granted authorisation to explore in the International Seabed Area (the Clarion Clipperton Zone, rich in manganese nodules). Two or three additional Project countries have indicated to the Project team that they may be interested in pursuing the same.

RH noted that it was also a huge challenge for Tonga and Nauru - given some other ISA States' expressions of concern about their capacity to fulfil their obligations as a sponsoring state; and a requirement now to embed those responsibilities in their national regulatory framework (even though the activities are not in their jurisdiction, but in the High Seas).

RH observed that this has implications for the Project. These events have superseded the wording of the Project. The Project focuses on developing a RLRf and supporting Project countries for EEZ-based activities. But the situation now is that at least two countries will need to extend their domestic legislation to encompass High Seas activities, not (only) national jurisdiction. It therefore would seem sensible to extend the Project to include this.

AW commented that the Extended Continental Shelf ('eCS') was also not covered by the 'EEZ' terminology in the Project outline. While it may not be arduous to include the eCS in the work and legislation, it does add a different dynamic, and a third aspect of the regulatory framework that is relevant to several of the participating countries. It may therefore be beneficial to explicitly record that the Project includes countries' potential eCSs in its scope.

The Steering Committee agreed that the Project should cover all three geographical areas (the EEZ, the eCS, and *the Area*).

The Project team will seek the EU's support for the necessary extension of the Project work area.

RH updated the meeting that he is now a Commissioner in the Legal and Technical Commission at the International Seabed Authority - receiving and considering applications in the Area - appointed in 2011 on a 5-year term. He was nominated by Fiji, on the understanding that while the appointment is in his personal capacity, he will represent the Pacific region. **RH** emphasised the importance of showing that P-ACP states can in a rational and responsible manner put in place robust and appropriate measures to monitor and control the activities of sponsored entities - in order to respond to the ITLOS Seabed Disputes Chamber Advisory Opinion, which clarified States' duties under UNCLOS of due diligence, adopting the precautionary principle, and use of best environmental practices.

5) Questions and comments from representatives of participating countries

MA thanked the DSM Project for their visit to Nauru 2 weeks ago, during which a very successful consultation event was held with stakeholders. He explained that, following NORI's successful application and the signing of a contract for exploration in the Area between NORI and the ISA in July 2011, Nauru as sponsoring state is now required to put in place a regulatory framework to regulate NORI's activities in the Area. This is an essential measure to mitigate possible liabilities falling to Nauru. It is imperative that Nauru has progress to report before the next meeting of ISA in July 2012. NORI and TOML are the first successful applicants sponsored by developing countries, so it is new territory. Nauru would like to reiterate the importance of the decision that the DSM Project assist with work in the Area. It is due to a lack of potential for DSM in Nauru's EEZ, that Nauru has looked to the Area, and it is a priority now to develop legislation for this to meet its international obligations. One of challenges is the lack of existing precedents to assist in drafting regulations. Nauru have therefore requested from the DSM Project assistance with the provision of drafting instructions to Parliamentary Counsel, so Nauru draftsmen can start developing the appropriate legislation, with the hope of having a Bill before Parliament in the first quarter of 2012, so that this can be reported to the ISA meeting in July. Nauru notes the complementarities between the Area and EEZ work, and finds this an exciting time for the region.

RV reiterated that Tonga has also sponsored a company in the Area (TOML), and repeated that a key concern is the State's liability if there is damage. It is essential therefore that the State monitor the company's workplan, with particular focus on environmental issues. Tonga will include exit clauses in their contract, to allow termination in the event of breaches of standards by the sponsored company. The intention is that the contract between TOML and ISA will be signed after the ISA meeting in Fiji.

LT updated the meeting on behalf of Samoa. The Minister for the Ministry of Natural Resources and the Environment has made enquiries about DSM, has indicated Samoa's intention to pursue further DSM work, and has requested a progress update before the end of the year.

TC expressed that the donor has been very impressed with the pace of the Project's work. A lot has been achieved in a short time, and he encouraged the Project to keep up the good work. He welcomed the decision to grant observer status to the OCTs, which is in line with EU strategy to reinforce collaboration and synergy between OCTs and P-ACPs. He provided an initial response that the EU are ready to be flexible about an extension of the Project to include all three geographic areas, given that this is at the request of the Project countries and is in line with the overall objective of the Project. **A formal request is required, for the EU to be able to assess any implication of the extended scope of the Project, and to determine whether the Project contribution agreement should be amended.**

AW thanked the EU for this initial indication of agreement to include expressly the extended continental shelf and the Area within the scope of the Project. He will put together a brief paper for the 19th October SPC-SOPAC Divisional annual meeting, to put on the record this instruction, so that the rest of the region and broader membership is informed. He asked the Steering Committee to note that Nauru and Tonga are particular priority countries within the region at this time, given the advanced status of their work. He congratulated the Project team for its progress so far. He recommended that DSM Project Staff may wish to include the Marine Sector Working Group as a stakeholder to be briefed about the Project's developments, as a good way of keeping the rest of the CROP mechanism and the NGO sector informed.

GH congratulated the DSM Team, acknowledging the importance and complexity of the work area, and congratulated RH on his appointment as ISA Commissioner. He seconded AW's observation that the extended Continental Shelf should be incorporated into the Project's advice on drafting national legislation. He expressed an interest to contribute to the development of the RLRf, and encouraged the DSM team in its legal drafting work to look to other areas for precedents, such as maritime boundaries treaties. He expressed concern to ensure that the Steering Committee is kept regularly up to date with progress of the Project, and not only given sight of deliverables (such as the UNEP Report) once it is finished, so that Project countries can contribute their perspective before documents are finalised.

The 6-monthly Project Progress Report, which contains such an update, will be circulated again with the minutes of this meeting, along with the Project's draft work plan.

TT congratulated Tonga and Nauru for setting the precedent in the Area, and acknowledged the EU's initial indication for the Project to cover the Area, subject to agreement of the participating states. He emphasised that Kiribati is keen for assistance particular in relation to drafting an application and in developing legislation for activity in the Area.

SB acknowledged that the Cook Islands have also received significant support from the Commonwealth Secretariat, and are now moving ahead with their legislation. He emphasised the importance of the Steering Committee members being consistent in their

attendance at the meetings, and following up on any action points to which they commit. He emphasised the importance that the Project addresses within its work: protection of biodiversity, responsible management and investment of DSM income, and support on conducting due diligence into potential exploration and mining partners. He expressed the view that there may be benefit to having Australia and New Zealand attend future meetings as observers, but clarified that this would not include participation in Project decision-making.

PS agreed that decisions can only be taken by Project countries, and not other SPC members. He updated the Committee that - with thanks to SOPAC's maritime boundaries team, Fiji have finalised their baselines, and is now approaching its extended Continental Shelf claims. Focus on this work has caused some delay to further activity around DSM by Fiji, although a paper has gone to Cabinet, to obtain authority to pursue the new and exciting opportunities offered by DSM. He congratulated Tonga and Nauru for their progress, and thanked Nauru for obtaining the Seabed Disputes Chamber Advisory Opinion, which will serve to help other states in the region. Fiji is proud to be visible within the ISA, with Fiji's Permanent Representative to the UN representative, Peter Thomson, having been elected ISA's President. He is keen to see strong and larger representation from the region in the international arena.

GR congratulated RH for his appointment as ISA Commissioner, and Tonga and Nauru for their progress. PNG has developed a Green Paper - now almost converted to a White Paper - for offshore mining policy; are reviewing their current Mining Act to accommodate an extended Continental Shelf; and are advancing their extended Continental Shelf claim. PNG would like to offer assistance to other P-ACP countries, to draw from PNG's experience.

FM reiterated the Committee's congratulation to DSM Project, and Nauru and Tonga. DSM is a new area, and Tuvalu are pleased to have the Project and other P-ACP countries to learn from and follow. Tuvalu has in the last fortnight held its strategic review and planning session - a challenge during the drought season - and DSM is on the agenda. Tuvalu is interested in the Area. Tuvalu look forward to receiving a DSM Project visit, and would like to request it soon.

DT expressed that Niue is very interested to explore opportunities in the EEZ, and already have a mining policy in place. Niue would also like a date for a visit from the DSM Project; and wished to reiterate the importance in our work on DSM of prioritising both environmental issues, and maritime boundaries.

AT updated the meeting on the remaining action points from the last meeting, as follows:
4.2 and 4.3 "*It would be desirable to have the same representative from each PIC participate as Steering Committee member each time ... Each P-ACP would confirm to Akuila who the representative from their country would be*": no countries had provided AT with confirmed representatives names, and it was noted that only 5 of the country representatives present had also been present at the previous meeting. **It was agreed that each P-ACP would confirm to AT the name of at least two representatives, to be their country's Steering Committee members.**

4.4 "*Country-specific brochures, in addition to the six already produced, would be welcomed*": It is the Project's intention to prepare country-specific brochures early next year. Some drafts have been completed, and are being sent to those countries for review.
4.5 "*Any data held about Nauru, Palau or Timor Leste's deep seabed minerals should be forwarded to Akuila*": No data have been received. Mike confirmed that Nauru are not hiding any DSM data, but just do not have any.

4.6 "The synergy between the Project and other work of SOPAC should be encouraged and strengthened": **HL will liaise with the Maritime Boundaries team**

4.7 "Possibilities to co-ordinate DSM vessels and marine survey and research opportunities should be explored." The Project needs to work on this, and has been talking to exploration companies like Nautilus, KORDI and Bluewater Minerals (whose vessel is in Fiji harbour at the moment). **RH** urged countries to advise AW and his team if any marine research venture in your EEZ is happening. **AW** emphasised SOPAC's experience and professionalism at managing data, confidentially if necessary, now through GeoNetwork; and recommended countries to take advantage of this, given the irreplaceable nature, and financial value, of these sorts of datasets. **SB** also highlighted that research vessels do not always go through official channels, for example when they cross shared boundaries, so also requested countries to share information with each other.

4.9 "Akula would inform country representatives of his proposed country visit schedule": AT has been following the SPC-SOPAC protocol of informally contacting countries for suggested dates, and will then make formal approach.

4.12 "Akula would circulate to all Steering Committee members by email a copy of the DSM Project Contribution Agreement": After the last Steering Committee meeting, AT circulated a copy of this document, which contained the Project budget (agreed between SPC and EU in 2010).

4.13 "Australia and New Zealand's interest to engage with the DSM Project should be explored": **RH** and AW detailed discussions that have occurred on an ad hoc basis about the Project with Australia and New Zealand representatives, but there has been no dialogue about DSM at a professional level. **RH** reminded attendees that Australian and NZ delegates (both geo-scientists) would be present at the SOPAC Divisional meeting on Wednesday, if countries wished to approach them.

Steven requested that the next meeting report is accompanied with: a logical framework table, setting out what is agreed, who is responsible, and the due date; a one-page report on expenditure and forecast; and a copy of the draft work plan.

RH closed the meeting at 1pm, suggesting that the next meeting be scheduled for 2-3 hours, and thanking all attendees for their participation.

Action Points

	Action point	Who?	Due Date
1	Invite P-OCTs to attend future Steering Committee meetings, with observer status	AT / RH	21/10/11
2	Circulate to the Steering Committee the draft Project work plan for 2011-2014	AT	21/10/11
3	Provide comments to AT on the draft Project work plan for 2011-2014	All P-ACPs	11/11/11
4	Set a provisional date for timing for a country visit by the DSM team	AT and all P-ACPs (except Nauru and Kiribati)	31/12/11
5	Circulate draft Terms of Reference ('TORs') for the development of the Regional Legislative	AT	21/10/11

	and Regulatory Framework ('RLRF')		
6	Provide comments, or confirm agreement to, draft TORs for the development of the RLRF	All P-ACPs	11/11/11
7	Circulate suggested outline of the RLRF	HL	25/11/11
8	Provide comments on suggested outline of the RLRF	All P-ACPs	18/11/11
9	Make a formal request to the EU to include in the DSM Project scope assistance to P-ACPs activities in the International Seabed Area.	AW	28/10/11
10	Respond to formal request to include in the DSM Project scope assistance to P-ACPs activities in the International Seabed Area.	TC	25/11/11
11	Circulate the 1 st 6-monthly Project Progress Report together with the minutes of this meeting	AT	21/10/11
12	Present a paper at the SOPAC Annual Session to advise SPC members of the Steering Committee's decision to include eCS and the Area within the Project's scope.	AW / HL	19/10/11
13	Confirm to AT the name of two people to represent them in the Project Steering Committee.	All P-ACPs	11/11/11
14	Liaise with the Maritime Boundaries and other SOPAC Program on work synergies	HL	25/11/11
15	Convene, jointly with ISA and Fiji Government, DSM Conference in Denarau, with focus on Environmental Impact Assessment	DSM Project Team	29/11/11-02/12/11
16	Encourage country representation at Denarau Conference	P-ACPs	29/11/11-02/12/11
17	Convene second Technical Steering Committee Meeting	AT	03/12/11-04/12/11

ANNEX 2

List of the Technical Steering Committee members for the Pacific Marine Minerals Assessment

Name	Designation	Organisation	Country
Dr James Hein	Senior Scientist	USGS	USA
Dr Sven Petersen	Senior Scientist	IFM-GEOMAR	Germany
Prof Chuck Fisher	Professor of Biology	Pennsylvania State University	USA
Dr Malcolm Clark	Principal Scientist	NIWA	New Zealand
Dr Linwood Pendleton	Director of Economic Research	Duke University	USA
Mr Michael Lodge	Legal Counsel	ISA	Jamaica
Dr Samantha Smith	Environment and Community Manager	Nautilus Minerals	Australia
Mr Robert Heydon	Vice President	NORI	Australia
Mr Harry Kore	Director - Legislation Development	DMPGM	PNG
Daniel Dumas	Head of Economic and Legal Section	Commonwealth Secretariat	UK
Dr Julian Roberts	Adviser - Ocean Governance	Commonwealth Secretariat	UK
Mr Charles Roche	Executive Director	Minerals Policy Institute	Australia
Dr Jan Steffen	Regional Marine Program Coordinator	IUCN	Fiji
Dr Elaine Baker	Program Coordinator	UNEP/GRID-Arendal	Australia
Dr Yannick Beaudoin	Head of Marine Program	UNEP/GRID-Arendal	Norway
Ms Anne Solgaard	Resource Economist	UNEP/GRID-Arendal	Norway
Dr Arthur Webb	Deputy Director - OIP	SPC	Fiji
Mr Akuila Tawake	DSM Project Team Leader	SPC	Fiji
Ms Hannah Lily	DSM Project Legal Adviser	SPC	Fiji

ANNEX 3

2011 Audited Financial Report

[Enclosed as a separate document]

Annex 4: DSM Project Revised 2012 Work Plan

Result Area	Activities	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Review the 1 st draft RLRf (Consultant, partners, participating countries, interest groups)												
1	Review the second draft RLRf (Consultant, partners, participating countries, interest groups)												
1	Finalise and distribute copies of the RLRf to participating countries												
2	Country National DSM stakeholder consultation and institutional assessment (establish National Offshore Minerals Committee (NOMC))												
2	Support ongoing activities of NOMC (review legislation, exploration & mining proposal, and legal drafting, stakeholder awareness)												
2	Provide guidance and support for the formulation of policy, legislation and regulations (drafting, advice, workshop, consultants, etc)												
3	Devise a capacity building program based on the countries capacity needs and priorities												
3	Commence ongoing technical (exploration, MSR) capacity building program (on-the-job training, fellowship support, workshop, etc).												
3	Commence ongoing policy (legal, fiscal, environmental) development program (workshops, attachments, fellowship support)												
3	Provide appropriate technical advice and guidance to participating countries												
3	Prepare, review and finalise Project information brochures (i.e. country specific brochures)												
3	Prepare, review and finalise Project Factsheets on DSM issues (i.e. Questions and Answers)												
4	Review final draft of Pacific marine minerals assessment reports												
4	Finalise the assessment reports and E-book and disseminate copies to participating countries												
4	Ongoing collation and review of marine minerals data/information for the establishment of the Regional Marine Minerals Database												
	Project visibility (press releases, news articles, TV and radio interviews, progress reports)												
	In collaboration with partners, produce a deep sea minerals documentary												
	Project Steering Committee meeting (during the 2012 SOPAC Division Meeting)												