

SPCEU DEEP SEA MINERALS PROJECT

Pacific ACP States Regional Training Workshop on Social Impacts of Deep Sea Mineral Activities and Stakeholder Participation

10th – 14th June 2013

Holiday Inn

Port Vila, Vanuatu.

SPC Responding Remarks

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Ocean & Islands Programme

Secretariat of the Pacific Community

The Minister for Lands & Natural Resource, Government of Vanuatu and Director of the Department of Geology, Minerals and Water Resources, other Senior Officials of the Government of Vanuatu and the Pacific ACP States and Pacific Territories, representatives of regional and international agencies, the private sector, guest presenters and ladies & gentlemen.

On behalf of the Director General of the Secretariat of the Pacific Community, Dr Jimmie Rodgers and the SOPAC Divisional Director Dr. Michael Petterson, I would like to thank the Minister for his warm words of welcome in opening this regional training workshop entitled *Social Impacts of Deep Sea Mineral Activities and Stakeholder Participation*. I would also like to thank the Ministry of Lands and Natural Resources staff and also the Department of Geology, Minerals and Water Resources who provided our team in the SOPAC Division Suva with excellent support in organising this regional workshop.

I must also thank and acknowledge our donor partner, the European Union, for its financial assistance which enables the SOPAC Division to implement this EDF10 Deep Sea Minerals Project in 15 Pacific ACP States. And finally I must thank each of you personally for taking the time out of your busy schedules to travel here and participate in this important meeting. The SOPAC Division, Deep Sea Minerals team and I hope that it will be a valuable and enjoyable 5 days.

As you will be aware, the Secretariat of the Pacific Community is a Pacific Regional inter-governmental agency mandated to provide development assistance to Pacific Island Countries and Territories (PICTs). Our work plans are developed and approved in consultation with our member States and accordingly the work of the Deep Sea Minerals Project, which became active in late 2010, is a direct response to PI Government requests for assistance in this Sector. It is important therefore to highlight that the SPC is not a resource owner, nor a profit making entity, nor do we own any data or information pertaining to our members. Our role is to advise and assist Pacific Island Countries and Territories according to their wishes, especially in new and technical areas such as, for example; Deep Sea Minerals.

SPC also recognises that a multi-stakeholder approach is essential for informed decision-making and through the inclusive approaches such as this workshop we seek to promote dialogue and interaction between all interested parties, whether Community, NGO, Government, academia or industry.

Many of us here are aware that marine scientific research and exploration of deep sea mineral deposits have been ongoing in the Pacific Islands region in the last 40 years. Indeed the *Applied Geoscience and Technology Division* (or SOPAC Division) arose through those efforts as the

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Committee for the Coordination of Offshore Prospecting in the South Pacific (CCOP/SOPAC) and later became the *Secretariat of the Pacific Islands Applied Geoscience Commission* (or simply SOPAC) and now of course we are known as the SPC SOPAC Division. Over the years SOPAC has been instrumental in DSM development work and in assisting to coordinate collaboration between PICs and international research interests, as well as facilitating those efforts which led to the discovery of potential seabed mineral deposits within the Exclusive Economic Zones of many PICs. It is also interesting to note the SOPAC Division delivers the complementary mandate area of maritime boundary development and is today heavily involved with Pacific Island Countries in the claim of extended continental shelf – seabed territory as well and defining the accurate limits of PIC maritime zones including the EEZ.

Despite the earlier discovery DSM resources in the region, activity to develop those resources did not immediately follow due to the complexity, expense and challenges of such a deep sea venture. Since that time, sustained rises in global demand for metals has increased metal prices and this combined with significant advances in deep sea technology has triggered new interest in the Region's deep sea mineral deposits. At this time a number of entities have either been granted or have applied for commercial exploration licences within Pacific Islands EEZ's and a number of exploration companies have been sponsored by PICs to explore "the Area" (an area of deep ocean floor in the central eastern Pacific which lays outside our sovereign zones and is administered by the ISA - International Seabed Authority). Thus PI Regional interest in deep sea minerals goes beyond our national jurisdictions and PI Government interest in these new resource opportunities is in many ways leading the World.

The excitement of potential mineral wealth often dominates in discussions in this Sector, however it is incumbent on all involved to recognise that DSM may well bring opportunities but also brings challenges to the Pacific Islands region. We must weigh carefully the potential economic benefits with issues such as potential environmental impacts. It is also important to note that whilst deep sea mining may also generate other benefit streams such as; employment, service industries, capacity building, etc., rapid and possibly short lived "bursts" of greatly increased National revenues, if not carefully managed, can result in negative socio-economic impacts. "Dutch Disease" has become an infamous term for the negative socio-economic impacts related to resource "booms". In Europe this was characterised by huge swings in the workforce and loss of artisan manufacturing industries, as well as greatly increased strength of currency which crippled international trade. Perhaps in the Pacific it might mean the hastening of the loss of traditional ways of life and skills and/or possible challenges to tourism if strengthened currencies made international currency exchange less attractive sending tourists elsewhere. On the other hand if such revenue streams are well managed, or even relatively short term in nature (of course DSM is a finite resource) such revenues can be used to enhance community welfare and well-being and can help build sustained economic development.

These are examples of "socio-economic change" due to resource booms and I have spent a little time on this subject given this workshop. This is the third in our series and will address the issue of potential *Social Impacts of Deep Sea Mineral Activities and Stakeholder Participation*. As part

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of the capacity building and information sharing to Pacific ACP States, the SOPAC Division through the Deep Sea Minerals Project has designed a training programme that includes five regional capacity building workshops. The first held in August 2012 (Nadi) focused on the *Geological, Technological, Biological and Environmental Aspects of Deep Sea Minerals*. The second, which was held in Tonga in March of this year, covered the legal aspects for States engaging with Deep Sea Minerals, and provided advice on negotiation of commercial agreements with DSM operators.

As many of you are aware the SPC-EU Deep Sea Mineral Project has also developed the “*Pacific ACP States Regional Legislative and Regulatory Framework for Deep Sea Minerals Exploration and Exploitation*” (RLRF) and this was endorsed and officially launched at the August 2012 Pacific Forum Leaders Meeting. It is important in the context of this workshop to note the manner in which the framework was developed; it was an open and fully consultative process and was circulated to over 300 stakeholders with contributions from all PICs as well as responses from over 40 other interest groups and agencies. In addition, the *SOPAC Division Deep Sea Minerals Project* is now assisting a number of Pacific ACP States in developing national deep sea minerals policy and legislation. This is obviously important in respect to governance of this fledgling activity and to ensure PIC interests and environments are protected, but it must also allow PI Governments to offer a feasible operating framework for industry where this is the wish of the Government. It is crucial that National legislative frameworks and policy also protects the long-term interests of the community at large and that if revenue streams do eventuate that they are transformed into net socio-economic good and sustainable economic development.

Finally and on behalf of my colleagues in the SOPAC team and our guest presenters, I trust that you will all find this training workshop useful. That you will engage and participate wholeheartedly and that all will recognise that such efforts are made in the sincere interests of regional development, outreach, participation and capacity building.

With those remarks, I once again thank the Government of Vanuatu for hosting this event and I look forward to discussing relevant issues over the next 5 days.

Many thanks!