



# Session 5: National Regulatory Regime

## *Cook Islands Case Study: Implementation of Seabed Minerals Act 2009*

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Legal Officer

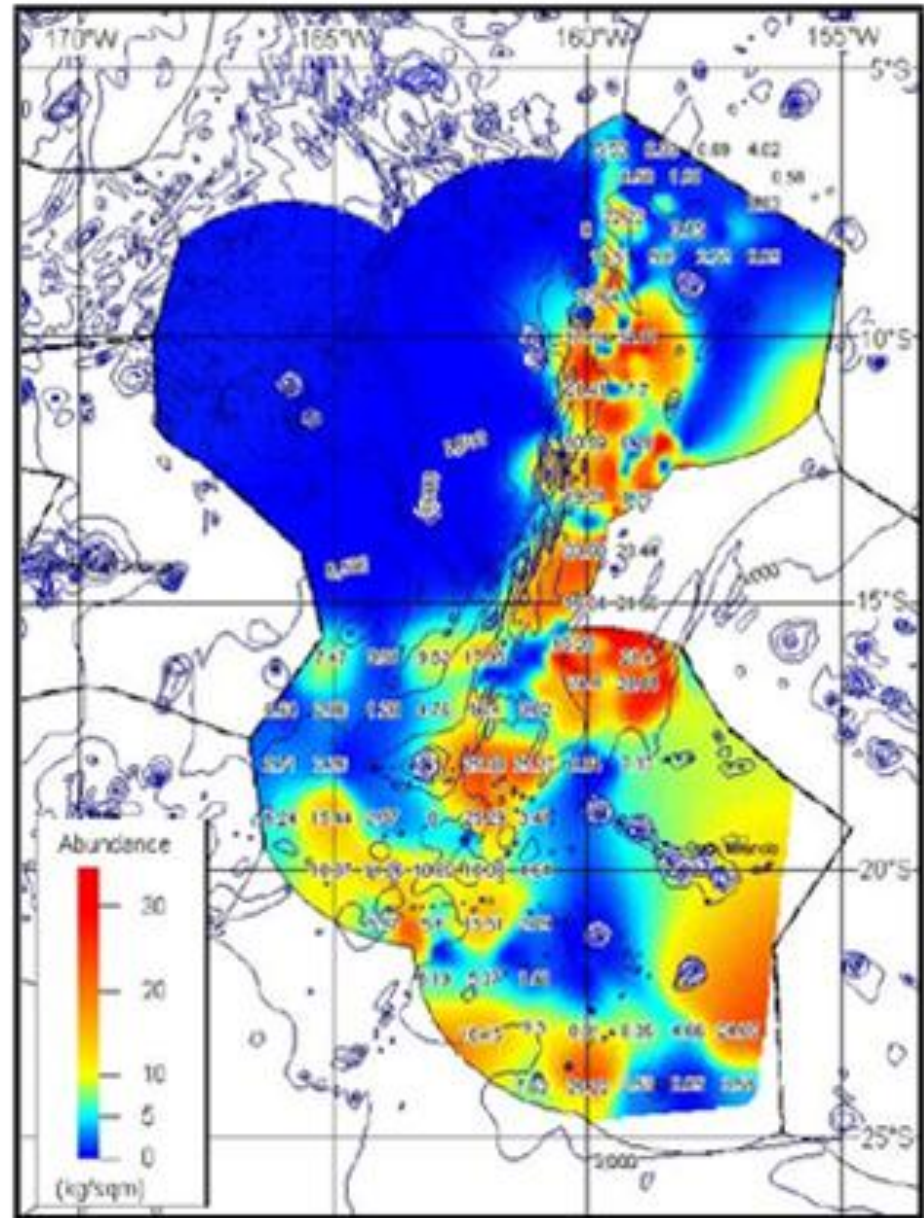
*Cook Islands Seabed Minerals Authority*

# Structure

- **Context**
- **Seabed Minerals Act 2009**
- **Institutional Arrangements**
  - **Seabed Minerals Authority**
  - **Advisory Board**
- **Licensing Regime**
- **Environmental Management**
- **Effective Public Participation**
- **Other Considerations**
- **Conclusion**

# Seabed Minerals in the Cook Islands

- **Water depth:**  
3,500~5000m
- **Area of EEZ:**  
2.4 million km<sup>2</sup> \*
- **Area of nodules  $\geq +5$  kg/m<sup>2</sup>:**  
750,000 km<sup>2</sup>
- **Target metal:** Cobalt
- **Potential by products:**  
Nickel, copper, manganese, niobium,  
zirconium, rare-earth elements
- **Tonnage of nodules (dry):**  
5,130,000,000 tonnes
- **Cobalt grade:** 0.41%
- **Cronan Report**
  - Co-Mn-Ti-REY resource



# Seabed Minerals Act 2009

- Commencement: **1 March 2013**
- Establishes the legal framework for efficient management of the seabed minerals of the Cook Islands
- Clear intention to carry out SMA activities in a manner **consistent with international standards, principles and practices**
- Incorporation of existing domestic laws:
  - Environment Act 2003
  - Prevention of Marine Pollution Act 1998
- Upcoming regulations
  - Seabed Minerals Licensing Regulations
  - Environmental Regulations



# Seabed Mineral Institutional Arrangements

- **Minister** of Minerals and Natural Resources – responsible for the implementation of the Act
  - Honourable Tom Marsters
- **Seabed Minerals Authority** – key body responsible for administration of seabed mineral activities
  - Office officially opened 13 September 2012
- **Seabed Minerals Commissioner** – Head of the Authority.
  - Paul Lynch was appointed Commissioner 29 August 2012
- **Seabed Minerals Advisory Board** – official avenue for consultation between the Government and the community on matters concerning the regulation and management of the seabed minerals of the Cook Islands
  - Advisory Board members appointed 1 March 2013



# Seabed Minerals Authority

- **Functions (s 17):**

- **Regulate** seabed mineral activity
- Ensure provisions of the Act relating to seabed mineral activity are **implemented** and **complied** with
- **Recommend regulations** to be made under the Act
- **Promote co-operation** amongst stakeholders relevant to seabed minerals
- Assist in **providing training** in skills associated with Authority performing its functions
- Provide **secretarial** and **administrative services** (including **technical advice**) to the Advisory Board
- Do anything that is incidental or conducive to the performance of its functions

- **Powers:**

- **General powers** (s 18)
- **Regulatory powers** (s 19)

- Wide ranging functions and powers to enable Authority to be able to effectively manage the seabed minerals industry efficiently

# Seabed Minerals Authority

Current staff: Commissioner, Natural Resources Advisor, Legal Officer, Administrative officer.

By end of 2013, expecting to recruit: Technical Director, GIS Officer, Licence and Compliance Officer, Administrative assistant



# Seabed Minerals Advisory Board

- **Functions** (s 34)

- Provide recommendations on the management of seabed mineral resources
- Provide recommendations on the licensing process
- Other such functions assigned to it

- **‘Voice of the community’**

- 9 Southern & Northern Group representatives, environment, traditional chiefs, private sector, religious

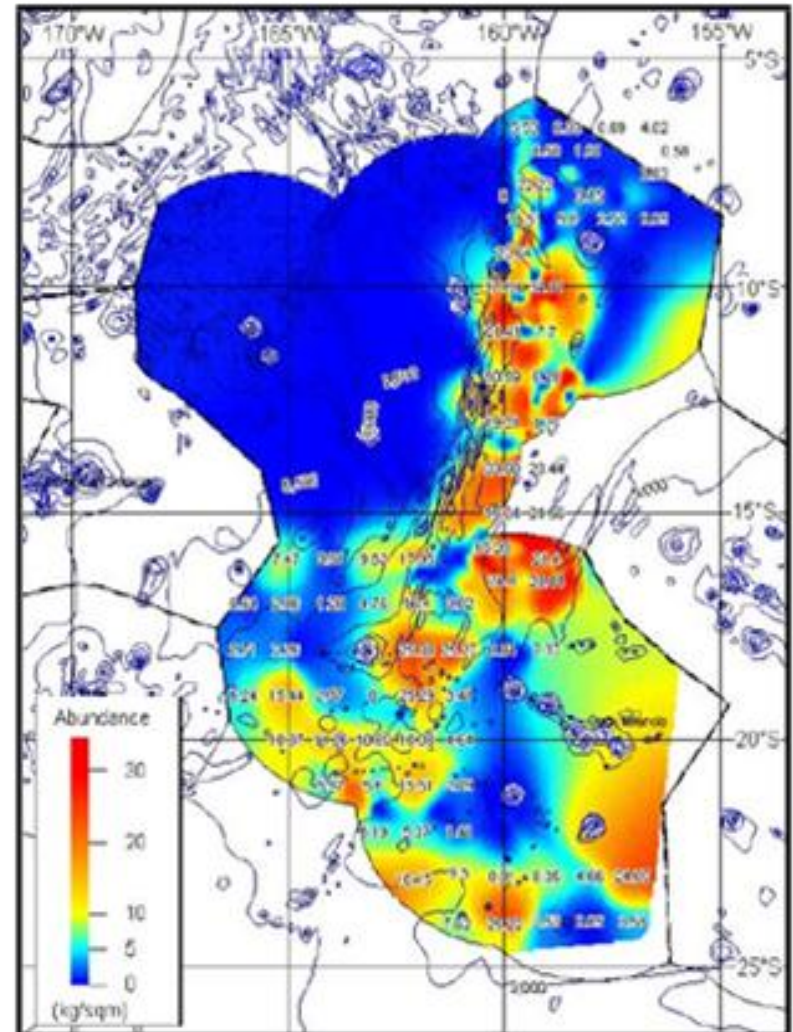
- **Will require:**

- Training from Authority
- Guidelines for the process by which community views can be expressed through the Board



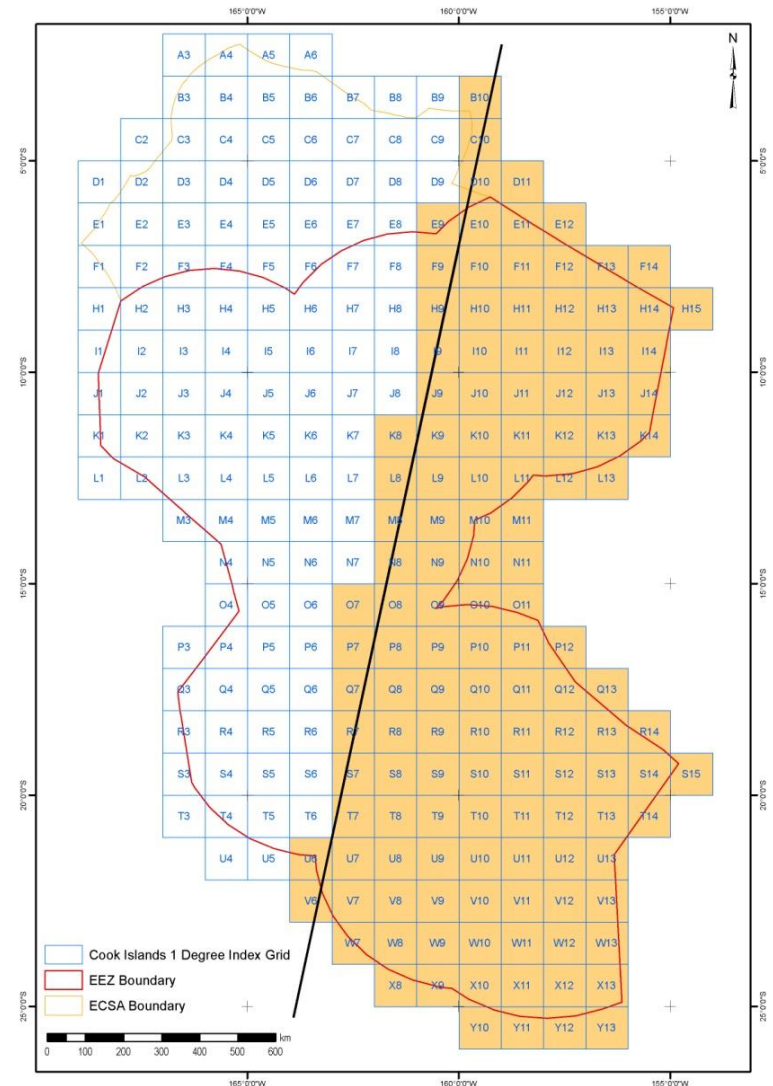
# Commencing the Licensing process

- Designating areas for seabed mineral activities (s 49-51)
  - Declaration by Minister [1 March 2013](#)
  - EEZ, excluding 24 NM from any island
- Awarding of mineral rights
  - General Application
  - Tender Process
- Licence types
  - Prospecting
  - [Exploration](#)
  - Retention
  - Exploitation



# Commencing the Licensing process

- International Tender Bidding process
  - *Anticipated dates: July – December 2013*
  - Transparent, competitive and nondiscretionary procedures for the award of rights
- Commonwealth Secretariat to assist
- Enough existing data to put together bid package of best site
- Seabed Minerals Licensing Regulations
- General applications still possible

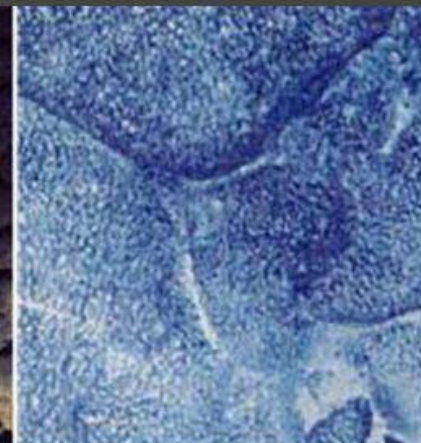


# Environmental Management

- UNCLOS obligations – “protect and preserve marine environment”
  - Precautionary Principle
  - Best Environmental Practices
  - Environmental Impact Assessment (EIAs)
- Incorporation into Seabed Minerals Regime
  - Obligations recognised in draft Seabed Minerals Policy
  - No title can be granted unless a project permit required under EA is issued – EIA undertaken
- Environment Regulations on Seabed Mineral Activities
  - Working with National Environment Service (NES)

# Effective public participation

- Continuation of Public Consultations
  - Advisory Board
- Civil Society
- Media
- Building Public Awareness and Understanding of SBM
  - Media releases – comprehensive coverage by SBM Authority
  - Website: [www.seabedmineralsauthority.gov.ck](http://www.seabedmineralsauthority.gov.ck)
    - Launched 8 March 2013
  - Information booklet and brochure to be released
  - Transparency
    - Policy of sharing/releasing information except where commercially sensitive



## Welcome

Kia Orana and Welcome to the Cook Islands Seabed Minerals Authority website, officially launched 8 March 2013.

*Keep checking back for updates as the Authority continues to develop this site.*

# Other considerations

- **Social and cultural impacts**
- **Fiscal regime**
- **Revenue management**
- **Co-operation with relevant government departments**
  - **NES, Crown, MFEM, Ports Authority**
- **Building capacity – technical, institutional**
- **Monitoring & Evaluation**

# Conclusion

- Complex issues to be managed
- **Key regulations to be finalised**
- Frontier nature of Seabed Minerals industry requires us to be adaptable
- **Taking ownership in managing our seabed mineral resources for the benefit of resource owners and investment partners**
- Inclusive approach needs to be taken
- **Seabed Mineral activities, Revenue, Environmental controls managed by separate bodies**

# Tereora College Prefect Investiture 2013



Meitaki e ranuinui

Thank you

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