

**SPREP-SPC Workshop December 2013**  
**“Environmental Perspectives of Deep Sea Mineral Activities”**

**WORKING GROUP (6): Regional Cooperation**

**A: Summary of Key Outcomes**

1. Significant reasons in favour of strengthening regional coordination were identified.
2. It is noted that SOPAC Division was tasked by its member countries at the last annual meeting to develop an ‘options paper’ to explore different models of regional cooperation for DSM management. It is recommended that this work proceed, but that SOPAC include a wider group of interested stakeholders in developing that paper.
3. It is recommended to set-up an open-ended working group (including stakeholders already engaged with SOPAC Division’s DSM Project, and others). This could be done under the Forum, or via existing initiatives e.g. the Marine Sector Working Group.

**B: Reasons in favour of stronger regional coordination**

4. The following reasons in favour of stronger regional coordination were identified:
  - i. Increased influence on the international stage (e.g. ISA)
  - ii. Minimum standards for environmental protection measures being upheld across the region.
  - iii. Set commercial / financial terms, to avoid ‘powerful’ companies playing countries off against each other, and driving down royalty rates (as has been observed with onland mining e.g. in Australia.)
  - iv. A harmonised regime across the region will provide a secure, familiar and certain regime for companies, which will make the Pacific EEZs a more attractive operating and investment environment.
  - v. Individual Governments have limited resources, and could not be expected each to have in-country a DSM specialist geologist, biologist, lawyer, economist etc and there would be unlikely to be enough demand in one country to have these staff full-time. Pooling resources on a regional level will enable Governments to draw upon a team of relevant experts (e.g. to conduct / review EIAs), and if serving all countries in the region, full-time staff can be retained.
  - vi. Using a regional resource for DSM work will retain within the region the knowledge garnered from one DSM operation, and this learning can inform another country’s work. This will not happen if - individual countries hire external consultants.
  - vii. Government can be assured that a regional team of technical experts working for an intergovernmental agency is independent and impartial and working in the countries’ best interests.
  - viii. There is possibility of transboundary DSM operations, where deposits straddle national maritime borders, or are located in sites subject to shared extended continental shelf claims. Companies are unlikely to invest in such projects if they have to navigate two entirely different regulatory systems, and without assurance that the countries are managing the site cooperatively.
  - ix. Marine spatial planning and strategic environment assessment on a regional scale would be facilitated.
  - x. Managing transboundary impacts, impacts on migratory species, or cumulative impacts where different DSM sites are located close to each other but in different national jurisdictions, would be easier.
  - xi. If exploration cruises can move easily across national maritime boundaries, without undue bureaucracy, then more than one country can be covered in one cruise.

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- xii. Pacific Islands share priorities and vulnerabilities (e.g. climate change). The inter-relation between DSM and other priority areas can be managed more holistically on a regional level, and with countries sharing their experiences.
- xiii. Implementation of the RLRf and agreed common standards can be monitored and reviewed on a regional basis.
- xiv. DSM is not a standalone issue. Having a centralised body for the region will assist DSM work across the region to feed into wider environmental management initiatives.
- xv. A regional body can hold, analyse, and share (as appropriate) geological and environmental data for the region’s benefit. Environmental data gathered from research in one country’s marine space, can inform another country’s environmental management and planning.
- xvi. Regional cooperation could assist in case of disputes with companies.

***C: Suggestions of options for what the coordination would comprise***

- 5. We can learn from FFA and PNA experiences, which have seen parties that share common benefits from fisheries, cooperating to dictate process, minimum terms and conditions, conservation measures, and pricing on a regional level. This has led to increased national benefits, and enhanced regional voice at the international level.
- 6. The ISA set-up could also be a useful model for a regional arrangement.
- 7. There is potential for the regional cooperation to include four different areas: (i) policy, (ii) legal, (iii) technical support, and (iv) commercial relations.
- 8. The regional approach should also encompass fiscal considerations: realistic financial modelling of the resource potential, how to calculate likely profits / costs, how to design a tax / royalty regime, and financial management standards, like the Extractive Industry Transparency Initiative.
- 9. A regional agreement, setting high-level common understandings and standards would be a good first step, and may be easy to achieve, given wording already included in the Pacific Plan, Leaders’ Communiques, and the RLRf on this subject.
- 10. This could be done by way of a protocol to the Noumea Convention: an important first step would be to encourage more countries to sign up to the Convention that already contains Articles on preventing pollution from seabed exploration and exploitation, and EIA requirements.
- 11. More detail, e.g. setting up institutions, or deciding on the content of regional template application forms, licences, EIA templates etc. can follow.
- 12. Types of common conditions that could be included in the regionally agreed terms / conditions for DSM activities would include the regulatory terms described in the RLRf, e.g. minimum technical and financial qualifications for contractors, when an EIA is triggered and what it must include, requirement to pay an environmental bond, biodiversity off-setting, corporate social responsibility provisions (e.g. capacity-building or community investment), transparency mechanism etc.
- 13. An agreement could also formalise stakeholder engagement provisions, and public participation mechanisms.

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14. A new secretariat body could be formed (like the PNA), existing agencies could be used (e.g. SOPAC) or existing structures could be modified (e.g. the Marine Sector Working Group, which is responsible for Pacific Oceanscape framework implementation) could be formalised into a Marine Council).
15. A regional body could provide regulatory services to individual Governments e.g. receiving licensing applications, reviewing EIA reports, reviewing annual performance reports, monitoring operations, carrying out inspections.
16. A regional body could run an observer / inspector training programme, so there is a pool of independent observers countries can call upon.
17. A regional body can work with the ISA and DSM companies to secure capacity-building and training opportunities for Pacific Island nationals.

**D: How to move forward**

18. SOPAC Division DSM Project has been a very useful project, and has brought the countries into contact with each other. The DSM Project will end in 2 years' time. The countries should continue and strengthen the relationship, and will need funding to do so. Governments should highlight this as a priority, and should include the proposal of strengthened regional DSM collaboration in discussions about funding options (e.g. EU EDF 11).
19. Any regional initiative must fit within the Pacific Plan. To date the Pacific Plan has included regional cooperation with regards the regulation of DSM activities. The Leaders in 2012 endorsed the RLRf and recommended its use by the region. The Leaders will meet in April to consider 36 recommendations to re-draft the Pacific Plan, to focus on collaboration, integration and coordination. This includes changing the name to 'Framework for Pacific Regionalism'. It is important to ensure that these outcomes are fed into the Leaders' discussions and the Pacific Plan; and also the CRGA meeting next year.
20. The relevant processes, legal and financial implications need to be presented and discussed, by Leaders and by regional agencies.
21. SOPAC Division was tasked by its member countries at the last annual meeting to develop an 'options paper' to explore different models of regional cooperation for DSM management. It is recommended that this work proceed, but that SOPAC include a wider group of interested stakeholders in developing that paper.
22. It is suggested to set-up an open-ended working group (including stakeholders already engaged with SOPAC Division's DSM Project (e.g. like Pacific Island Forum Secretariat), and others e.g. University of the South Pacific, South Pacific Tourism Organisation). This could be done under the Forum, or via existing initiatives e.g. the Marine Sector Working Group.
23. As well as the Pacific Plan there are a number of existing initiatives and treaties that have relevance to DSM (e.g. Pacific Island Regional Ocean Policy and Oceanscape; the Noumea Convention), which are summarised in the RLRf. These should be taken into account in developing the options paper.

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24. The PNA has developed a paper on the subject, which was presented to the Pacific Plan review team. This should be taken into account.
25. It was acknowledged that not all Pacific Island countries and territories are signatories to the Noumea Convention, nor members of the SOPAC Division DSM Project, so it will be important to move forward via a network with the full membership (e.g. SPC)
26. Pacific Island countries should attend the ISA annual meeting, and should participate in the pre-meeting preparatory workshop to be convened by the SOPAC Division DSM Project.

**E: Working Group Members**

- Teina Mackenzie (TIS, Cook Islands)
- Nannette Malsol (Palau)
- H.E. Gerson Jackson (FSM)
- Hannah Lily (SOPAC)
- Clark Peteru (SPREP)
- Stuart Chape (SPREP)
- Charles Roche (Mineral Policy Institute)
- Netani Sukanaivalu (Neptune Minerals)
- Teporea Toliniu Lavatai (American Samoa)
- Michael Perez (Tokelau)
- Seni Nabou (Greenpeace) – participating without prejudice to Greenpeace’s position on seabed mining
- Helen Rosenbaum (DSM Campaign) – joining the group as an observer