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SPC-EU EDF10 Deep Sea Minerals Project Proceedings of the Kiribati National Stakeholder Consultation on Deep Sea Minerals Workshop Mary's Motel, Tarawa, Kiribati 15-21 September 2011



April 2012

SOPAC WORKSHOP REPORT (PR90)

Vira Atalifo¹, Akuila Tawake¹, Tearinaki Tanielu²

¹Deep Sea Minerals Project, Ocean and Islands Programme, SOPAC Division

²Kiribati, Ministry of Fisheries and Mineral Resources Development

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Applied Geoscience and Technology Division (SOPAC)
Private Mail Bag
GPO Suva
Fiji Islands
Telephone: (679) 338 1377
Fax: (679) 337 0040
E-mail: director@sopac.org
Web site: <http://www.sopac.org>



**SPC-EU EDF10 Deep Sea Minerals Project
Proceedings of the Kiribati National Stakeholder
Consultation on Deep Sea Minerals Workshop
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EXECUTIVE SUMMARY

The Kiribati National Stakeholder Consultation Workshop was hosted by the SPC-EU EDF10 Deep Sea Minerals Project at Mary's Motel in Tarawa, Kiribati, on the 19th of September 2011. 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 and Moroni High School. All key in-country stakeholders (government agencies, Non-Governmental Organizations (NGOs), private sector, educational institution, communities) were invited to the workshop.

The workshop was organized by the DSM Project in collaboration with the Ministry of Fisheries and Mineral Resources Development (MFMRD) in Kiribati as part of a combined effort to present the Project to in-country stakeholders and collectively discuss national priorities in relation to deep sea mineral issues. In addition, it provides a great opportunity to discuss the development process of a regional DSM framework and national policy and legislation as well as capacity building requirements and contribute to effective environmental monitoring.

Further, this workshop is part of the DSM Project's effort to encourage a stakeholder participatory approach and to keep in-country stakeholders informed and provide them with sound technical and policy advice. Oral presentations were delivered both by the DSM Project Team and the Mineral Unit of the MFMRD on deep sea minerals technical issues as well as the gaps and requirements in national policies and legislation.

The formation of the National Offshore Minerals Committee (NOMC) as an advisory forum that can effectively address and spearhead the process of developing national offshore minerals policy, legislations and other related DSM issues in-country was also discussed and agreed. A questionnaire was prepared and distributed to all key stakeholders as part of collating relevant DSM information to gain an overview of their understanding of DSM issues including the national legal profile.

Participants were divided into two groups; a technical and a policy working group for the discussion session. Following group discussions, each group made presentations on the outcomes of their discussions for consideration and further deliberations. At the end of the workshop, the agreed outcomes would be the basis of the DSM Project intervention in Kiribati thus contributing to the development of enabling mechanisms for the formation of the country's offshore mineral industry.

ACKNOWLEDGEMENTS

The workshop was funded by the SOPAC Division of the SPC through the SPC-EU EDF10 Deep Sea Minerals Project. Much gratitude is extended to Mr Tion Uriam for his assistance prior to and during the workshop.

The project also wishes to acknowledge all the participants for their active involvement throughout the workshop. In addition, the participation and attendance of Mr Ribanaatake Awira, Secretary of the Ministry of Fisheries and Minerals Resources Development, and Mr Teriba Tabe, a representative of the European Union Office in Kiribati is gratefully acknowledged.

1. INTRODUCTION

Previous marine scientific research and offshore mineral exploration conducted within the Exclusive Economic Zone (EEZ) of Pacific Island ACP states have confirmed variable potential of mineral occurrence. The high global demand for metals coupled with recent discovery of high grade Seafloor Massive Sulphide deposits in PNG have led to the recent upsurge in offshore minerals exploration within the EEZ of Pacific Island countries.

Kiribati, who has a vast EEZ with potential for seabed minerals, has expressed its support for Manganese Nodules exploration within its EEZ as well as in the International Seabed Area (“the Area”). Due to the lack of specific policy, legislation and regulations for the governance of deep sea mineral resources in many Pacific ACP states, the need for the development of a regional framework is significant from which national offshore minerals policy, legislation and regulations can be developed.



Participants of the Kiribati National Deep Sea Minerals Workshop.

This workshop was intended to bring together key in-country stakeholders in Kiribati (i.e. representatives of relevant government agencies, NGOs, private sector, educational institutions and communities) to discuss various issues relating to deep sea minerals and mining and how Kiribati can effectively engage with partners in developing this new industry. It is important to ensure in-country stakeholder participation in developing the proposed DSM Project activities for Kiribati from the outset that lays the platform for effective stakeholder engagement for the duration of the Project.

1.1 Objectives of the Workshop

The objectives of the national stakeholder consultation workshop were to:

- Identify key in-country stakeholders and present the DSM project;
- Determine the needs and priorities of Kiribati in terms of policy and legislation development, capacity building and other deep sea mineral related issues;
- Discuss collaboration mechanisms with key stakeholders (e.g. government agencies and NGOs) to form a steering committee that will be responsible for spearheading project activities in Kiribati;
- Identify and inform all stakeholders of the technical in-country contact person for the DSM Project;
- Determine stakeholder concerns on offshore minerals exploration and mining;
- Ensure that stakeholders complete the prepared questionnaire to assist the DSM project staff to better understand the situation in Kiribati and
- Disseminate DSM Project information brochures to stakeholders.

1.2 List of Participants

Refer to Attachment 3.

2. RECORD OF THE WORKSHOP PROCEEDINGS

The Kiribati National Deep Sea Minerals Stakeholder Consultation Workshop was held at Marys Motel Conference room in Tarawa, Kiribati on the 19th of September 2011.

The workshop programme is tabulated below, and a record of proceedings follows:

Time	Activity	Presenter
09:00 – 10:00 am	Official Welcome	Mr Ribanataake Awira (Secretary – The Ministry of Fisheries and Marine Resources Development)
	Opening Prayer	Mr Tion Uriam (GIS Officer – MFMRD)
	Responding Remarks	Mr Akuila Tawake (DSM Team Leader – SPC)
	Participants Introduction	All participants present
10:00 – 10:15	Morning Tea	
10:15 – 12:15 pm	Overview of the SPC-EU EDF10 Deep Sea Minerals (DSM) Project	Mr Akuila Tawake (SPC)
	Deep Sea Minerals (DSM) Project Inaugural Regional Workshop	Ms Vira Atalifo (DSM Project Assistant – SPC)
	Outcomes of the DSM Project Inaugural Workshop	Akuila Tawake (SPC)Mr Tion Uriam (MFMRD)
	Deep Sea Mining in Kiribati; policies, gaps, requirements; needs and priorities	Mr Tearinaki Tanielu (OIC Marine Unit – MFMRD)
	DSM Technical issues in Kiribati [Group Photo for workshop Participants]	
12:15 – 1:15 pm	Lunch	
1:15 – 2:45	<p>Stakeholder Discussions</p> <p>Participants will be split into 2 groups (policy and technical) and will be required to discuss on the issues listed below:</p> <p>Discussion will be on the following issues:-</p> <ul style="list-style-type: none"> • Policy and Legislation development for Kiribati • Formation of the National Offshore Mining Committee (NOMC) • Capacity Building Initiatives • Possible benefits and adverse impacts of DSM • Environment Monitoring Frameworks • Challenges and Recommend appropriate strategies • Needs and priorities of Kiribati in relation to DSM • Nomination of the DSM Project focal points • Other DSM related issues 	Participants
2:45 – 3:00	Afternoon Tea	
3:00 – 4:00	Wrap up discussions and team leaders to present on individual team reports	Participants

After every presentation, participants were given time to raise questions or comment on issues that they feel needed further clarification. Pressing issues are noted for further discussion in the last session (discussion session) of the workshop.

2.1 Opening Address

The workshop opening address was delivered by Mr Ribanaatake Awira, Secretary of the Ministry of Fisheries, Mineral Resources and Development.

In his opening speech, Mr Awira thanked the Deep Sea Minerals Project Team for considering Kiribati as the first country to visit for the in-country stakeholder consultation for this new regional project. He extended the Ministry's sincere appreciation, on behalf of the Government of Kiribati, to the European Community for their financial support in funding the EDF10 DSM Project and acknowledged the presence of a representative of the EU delegation in Kiribati, Mr Teriba Tabe.

The Secretary highlighted the fisheries industry as Kiribati's main source of income and emphasized the need for an alternative means of revenue generation since fisheries is reported to be fast depleted. He went on to stress that the DSM Project could not have come at a better time and it may become the alternative source of income generation that Kiribati is seeking. "I hope that the workshop will prepare Kiribati for the next 10 or more years for the harvesting of mineral resources within the country's EEZ and surrounding areas", he said.

Mr Awira emphasized the importance of the workshop in addressing some of the shortfalls of their current legislation and policy in relation to offshore exploration and mining and urged the active participation of all participants during the workshop. With those final words, he declared the Kiribati Stakeholder Consultation Workshop open.



Mr Ribanaatake Awira delivering the opening speech. Closest to the camera is Mr Teriba Tabe, EU representative.

2.2 SPC Responding Remarks

The overview of the project was delivered by Mr Akuila Tawake, the Team Leader of the Deep Sea Minerals Project. In his responding remarks, Mr Tawake thanked Mr Ribanataake Awira for his words of encouragement and sound advice in opening this Kiribati National Workshop on Deep Sea Minerals. He also acknowledged the presence of Mr Teriba Tabe, the EU representative in Kiribati, senior government officials and other participants.

Mr Tawake highlighted the circumstances surrounding the conception of the DSM Project and also mentioned the recently discovered high grade mineralization in PNG and the previously known seabed mineral deposits in many Pacific Island Countries including Kiribati. He said, “an early regional effort to ensure the sustainable management of seabed mineral resources resulted in the development of the ‘The Madang Guidelines’ as a basis to formulate effective and enabling policy and legislation to govern offshore mineral exploration and development”.

The need for a regional integrated approach has been called for given the many cross cutting issues and unknowns associated with deep sea minerals. “Stakeholder engagement and collaboration would be encouraged and strengthened during the project life through a participatory approach of project implementation”, said Mr Tawake. The SOPAC Division of SPC has been providing the government of Kiribati with appropriate advice on issues relating to deep sea minerals in the last two years and wishes to continue working with stakeholders in implementing the DSM Project activities in Kiribati.

Mr Tawake, however, cautioned that “while deep sea mining may bring the much needed alternative economic development to countries in the region, we must be careful that we are not creating false hope and expectations to any country and its people. Mining projects usually have longer gestation periods and any decision to mine or not to mine hinges on the results of mineral assessment”. Mr Tawake concluded that the DSM Project hopes to contribute to a sustainable deep sea minerals industry that supports the economic aspirations of Kiribati.

2.3 Presentations and Discussions

All presentations that were delivered during the workshop are made available in the Data CD attached to the back pocket of this report. Attachment 4 of this report holds the summary of all presentations at the workshop.

2.3.1 Discussions on Presentation 1: Overview of the Deep Sea Minerals (DSM) Project/*Presenter: Akuila Tawake (DSM Project Team Leader)*

- ***Capacity Building opportunities and revenue from mining.***

In Papua New Guinea’s case, terrestrial mining alone forked 72% of the country’s’ export revenue in 2008. Unlike other Pacific Island Countries (PICs), PNG has an existing legislation (Mining Act 1992) that govern terrestrial mining as well as offshore mining right to the outer boundary of its Territorial Sea. PNG’s priority at the moment is on capacity building and institutional strengthening in the field of offshore exploration and mining. As is the case of Kiribati when exploration commences, the Project can facilitate selected personnel to participate in exploration ventures as trainees. Both exploration and mining phases are expected to generate job opportunities to nationals of PICs.

- ***Formation of the National Offshore Minerals Committee (NOMC).***

The NOMC is formed to provide an advisory forum that can effectively address and spearhead the process of developing national offshore minerals policy, legislations and other DSM related issues in-country. Funds are available in the Project to support the implementation of DSM Project activities in-country. The draft Terms of Reference

(TOR) of the NOMC has been completed (see Attachment 4). To encourage the participation of members of the NOMC and ensure relevant Project activities are carried out, a seating allowance has been proposed and agreed. The NOMC is expected to work very closely with the DSM Project Technical Assistance Team (TAT) based at the SOPAC Division in Suva to ensure the effective and timely implementation of Project activities.

- ***The projects connection to the International Seabed Authority (ISA).***

As stated in the DSM Project Information Brochure #1, the ISA is one of the Project's implementing partners. The project will work with national, regional and international organizations and Non-State Actors for effective and enhanced task delivery. SPC is cognizant that partnership and collaboration with relevant agencies and organizations will be fundamental in providing the best possible assistance to PICs.

- ***Benefit Cost Analysis (BCA).***

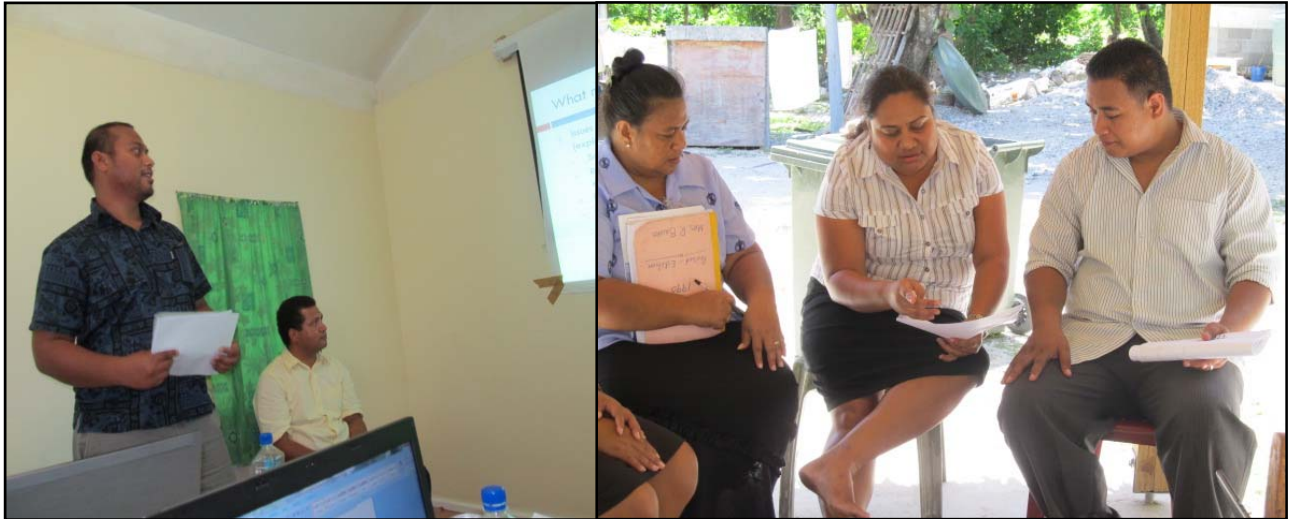
Carrying out a benefit-cost analysis of deep sea mining is not easy and it requires specialized expertise, something that is lacking in the region. The reason for undertaking the BCA is to weigh the high costs of deep sea mining and the potential impacts on the marine living resources against profit derived from a mining operation due to high commodity prices and the decrease in land metal reserves. Due to the specialized nature of this activity the Project is at an early stage of discussion with an expert in this field who has relevant experience working in the Pacific. Dr Linwood Pendleton is the Acting Chief Economist at NOAA, and he has expressed his interest in facilitating this process. On a related matter, PNG has granted an offshore mining license to Nautilus Minerals, and when mining commences in PNG, it poses a great opportunity for other PICs to learn from PNG's case study. The Project can support a candidate from Kiribati to participate in the BCA as part of the capacity building component.

- ***Resources for exploration purposes.***

Offshore exploration activities are capital intensive and Pacific ACP states with their limited resources cannot do this on their own. Countries are encouraged to work in partnership with private companies to avoid the financial risk associated with mineral exploration. Exploration and mining companies are fully aware of this financial risk when exploration is unsuccessful and yet they are prepared to continue investing in mineral exploration. To attract mining companies to explore, countries need to offer incentives such as tax exemptions/holidays on equipments and other services.

- ***Development of the Regional Legislative and Regulatory Framework (RLRF).***

The TOR for the RLRF has been drafted and sent to representatives of participating countries and partners for comments. Once the TOR is finalized, the RLRF will be developed and the same process will apply for the review of the RLRF which is expected to be finalized by mid 2012. The purpose of this regional framework is for participating countries to use it as a guide in developing their respective DSM policy, legislation and regulations and also ensure these legal instruments are harmonized to avoid the problem of countries competing against each other.



Workshop presentation and discussion; a) Tion Uriam presenting on Kiribati's Policy Issues; b) Ruria Iteraera makes a point during the policy working group discussion.

2.3.2 Discussions on Presentation 2: DSM Projects' Inaugural Workshop Outline *Presenter: Vira Atalifo (DSM Project Assistant)*

- ***Resource Distribution***

It was revealed that the DSM Project needs to target priority areas in each country and avoid spreading its resources too thinly. In that case it was highlighted that all participants in the workshop make every effort to contribute to the working groups and identify the DSM priority areas in Kiribati.

2.3.3 Discussions on Presentation 3: Outcomes of the DSM Inaugural Workshop *Presenter: Akuila Tawake (DSM Project Team Leader)*

- ***The projects intention of a Regional Approach***

As discussed above, the Project is in the process of developing the Regional Legislative and Regulatory Framework (RLRF) in consultation with partners and participating countries. Once the framework is finalized, countries will be encouraged to use the framework to develop their own national legislation, policy and regulations. The purpose of this exercise is to ensure that national legal and fiscal regimes for the management of offshore mineral resources in the region are harmonized to a certain degree in order to maximize the benefits associated with deep sea mining.

2.3.4 Discussions on Presentation 4: Kiribati Deep Sea Minerals Policy Issues *Presenter: Tion Uriam (GIS officer – Mineral Unit)*

- ***Policy gaps***

The existing Laws of Kiribati do not address specific issues relating to deep sea mineral exploration and exploitation. There is a need to develop a national DSM policy for Kiribati and it's important that this policy is in line with international and regional conventions and guidelines such as the United Nations Convention on Law of the Sea (UNCLOS), ISA Guidelines, Noumea Convention, Madang Guidelines and the

Convention on Biological Diversity. There is also a great need to develop specific environmental protection regimes for Kiribati, in regards to DSM, for the protection of its deep sea tuna fishery, which is currently the country's main source of economic revenue for development for the foreseeable future. Another gap would be to offset potential impacts of DSM in the Line Islands on the Phoenix Islands Protected Area (PIPA), which is currently the second largest Marine Protected Area (MPA) in the world and has been listed as a World Heritage Site. Development of policies to ensure that the ecological integrity of this MPA is intact should also be a priority, given the proximity of the Phoenix region to the Line Islands region.

2.3.5 Discussions on Presentation 5: Deep Sea Minerals Technical Issues in Kiribati *Presenter: Tearinaki Tanielu (OIC – Mineral Unit)*

- ***Types of deep sea minerals in Kiribati EEZ***

There are two types of mineral resources that have been discovered within the EEZ's of Kiribati – Manganese Nodules and Cobalt-rich Crusts. Previous deep sea minerals exploration within Kiribati's EEZ have shown variation in Manganese Nodule abundance and CRC occurrence in the Line, Phoenix and Gilbert group of islands. Fourteen exploration cruises have been reported to date in Kiribati since 1979 hence baseline data are available for additional exploration. "Kiribati Offshore Minerals Strategy" paper is currently been drafted in consultation with SOPAC and once finalized it will be than disseminated to all key stakeholders.

2.4 Working Groups

Participants were divided into two groups; a technical and a policy working group, for the discussion session.

The technical working group was tasked to discuss technical DSM issues in relation to the needs and priorities of Kiribati whilst the policy working group was mandated to discuss the state of national DSM legal instruments and the necessary requirements to put in place relevant to national policy, legislation and regulation.

Following group discussions, each group made presentations on the outcomes of their discussions for consideration and further deliberations.

2.4.1 Outcomes of the Working Groups

- ***Environmental Management and Monitoring Frameworks.*** Frameworks and guidelines for deep sea exploration and mining should take into account the protection of the integrity of biodiversity in the deep sea environment such as seabed habitats, water column and benthic habitats; waste management and disposal measures in the ocean; protection of marine life from offshore activities; and safety measures for vessel impacts to the environment. In order to ensure that vessels comply with the relevant frameworks of DSM, agreements should be made initially with the responsible entity for observers (nationals) to be present on boat during its activities at sea. Indeed it was noted that the working group was quite adamant for participation of locals/nationals in observer schemes, once developed. Apart from other monitoring compliance activities at sea, the observer will be closely monitoring activity impacts on the environmentl.
- ***Appropriate Fiscal Regime policies for deep sea mining.*** There is a great need for Kiribati to have specific taxation legislation in regards to minerals exploration and mining.

In relation to this, enforcement of such taxation regime is just as important to ensure that the people of Kiribati get maximum benefits from this new industry while at the same time it remains attractive for investment opportunities. Appropriate fiscal regime should also be in place to cater for mine workers.

- **Provision of Assistance for Further Studies.** There is a great need for the provision of scholarship programs to support studies in the fields of policy development, marine affairs and economic planning. Studies in specialized fields such as the Law of the Sea and deep sea mining related fields should be strongly encouraged as well; at the national level from the Kiribati Public Service Office, and regionally and internationally from organizations such as SPC-SOPAC, ISA, AusAID, etc..
- **Appropriate Economic Planning.** MFMRD as the responsible ministry in-country need to incorporate DSM long-term study and training needs on the country's Human Resources Development plan so it can be reflected on Kiribati National priority list for in-service scholarships. Capacity building Policies and regulations in deep sea mineral explorations should be in line with economic growth and development.
- **Technical and Technological Challenges of Deep Sea Mining and Recommendations.** Currently, Kiribati does not have the relevant technical skills and knowledge or the technology on mineral mining. In order to ratify the issue regarding technology, an agreement (MOU etc.) should be signed between government and other party(s) for technology transfer of DSM equipments. A stakeholder partnership between government/private sector/SPC/NGO could be formed not only for technology transfer but also for capacity building issues.

Note: With recent events, the MOU can be included as part of the initial agreement between the newly incorporated Kiribati Company, "Marawa Research and Exploration Co" and DeepGreen, in such that technology transfer and capacity building initiatives form a profound element of such agreements.



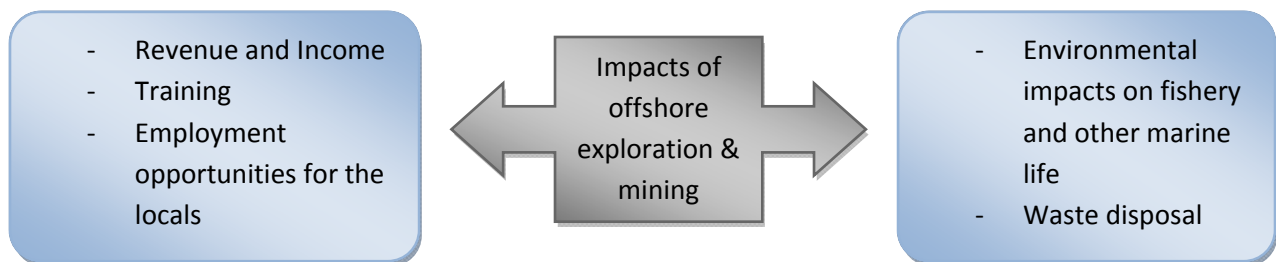
Left-Right: Ms Benny Teuea delivering the outcomes for the Policy Working Group and Mr Puta Tofinga for the Technical Working Group.

- **Regional Cooperation.** In order to ensure transparent and effective performance of the DSM Project in-country, it is encouraged to strengthen working relationships with development partners such as SPC, SPREP and the FORUM Secretariat in collaboration with the implementing agency in Kiribati (i.e. MFMRD).

- **Current Institutional capacity and priority areas for Capacity Building.** Current DSM institutional capacities in Kiribati are by far lacking in the relevant skills and know how. Related priority areas to deep sea exploration and mining which strongly requires capacity building training are marine geology, oceanography, environment impact assessments and mining engineering. The University of the South Pacific, as the regions centre for higher level education should be encouraged at a national level the need to develop courses in the field of deep sea exploration and mining given that it is now a regional interest.
- **Opportunities for Capacity Building.** Sponsorship for short-term training on DSM related programmes at a professional or technical level such as attachment training on vessels are some of the capacity building opportunities that the SPC-EU DSM project can assist in. Other opportunities include capacity building for Kiribati nationals in conducting a Cost-Benefit Analysis for mineral exploration and mining. The DSM Project will be facilitating this process to ascertain the benefits derived from offshore mining.

2.4.2 General Issues

- **Benefits and Adverse Impacts of Offshore Exploration and Mining.**



- **Formation of the National Offshore Minerals Committee (NOMC).** Suggestions from the groups that allowance (transport and refreshment) are provided for the effective implementation of the activities of the committee in-country. The secretariat for the committee should be the implementing ministry which is the MFMRD. Even though strong suggestions were made that the key stakeholders for this committee ought to be the workshop participants as they now have more knowledge on the key result areas of the DSM Project, it will be of course the final decision of the ministry or department concerned on who they incline to be their representative. Some of the agreed ministries/departments for the NOMC involve:
 - Kiribati Association of NGOs (KANGO)
 - Planning Office – Ministry of Finance and Economic Development (MFED)
 - Ministry of Environment, Lands and Agricultural Development (MELAD)
 - MFMRD (Fisheries, Mineral Unit)
 - Ministry of Commerce Industry Cooperative (MCIC)
 - European Union (act as an Observer)
 - Office of the Attorney General (Legal Officer, MFMRD)
 - Ministry of Foreign Affairs and Immigration (MFAI)
 - Public Service Office (PSO)

The technical focal point for the project in Kiribati would still have to be confirmed with MFMRD. As Mr Tearinaki Tanielu is currently the point of contact for the project in Kiribati, the workshop participants agreed that he should continue on this role. Confirmation will be sought from MFMRD for the endorsement of Mr Tanielu. As the implementing ministry in Kiribati, MFMRD will be expected to formally write to all the

selected ministries for their representation in the NOMC. The attendance of only one candidate is needed from each ministry and individuals who attended the workshop will be recommended in this letter as most suitable candidates for the committee. The DSM Project team is expected to draft a work plan for the NOMC and sent it to all participants for their comments. The draft will be based on the priorities and issues highlighted during the discussions of the workshop.

ATTACHMENT 1:

NOMC Terms of Reference

1. BACKGROUND

The SPC-EU Deep Sea Minerals Project recommends the establishment of a National Offshore Mining Committee ('NOMC'); and is able to offer funding for technical and policy advisory assistance to support the NOMC in-country activities.

2. MEMBERSHIP

The NOMC will be broad ranging in its composition, and inclusive of:

- potentially affected communities
- government officials
- non-state actors (NSA)
- national technical experts

Where possible the NOMC should aim to represent different genders, ages, and ethnicities or other relevant background characteristics, to reflect national demographics.

3. SCOPE

The NOMC will:

- provide a forum for informed discussions about marine mineral exploration and mining;
- spearhead and assist the development of national offshore minerals policy, legislation and regulation as well as other deep sea minerals related activities that are within the scope of the DSM Project; and
- provide an accessible means for local communities and interest groups to raise concerns and queries, and to learn more about the opportunities and challenges that will be brought about by deep sea minerals exploration and mining.

4. OBJECTIVE

The aim of establishing the NOMC is to facilitate decision-making in relation to the implementation of in-country deep sea minerals activities.

The creation of a cross-agency, multi-disciplinary and participatory committee like the NOMC should ensure that the Government has at its disposal all relevant information for policy and operational decisions; and should enhance public knowledge, understanding and awareness. This should increase the likelihood that policies and decisions related to deep sea minerals will be implemented with public consent and commitment. The NOMC may also serve to encourage trust and avoid conflicts, and to meet national legal, policy, and good governance requirements.

5. RESOURCES AVAILABLE

Agreed costs of forming and operating the NOMC will be covered by the SPC-EU Deep Sea Minerals Project.

The NOMC will work in collaboration with the SPC-EU Deep Sea Minerals Project Technical Assistance Team (TAT) (i.e. Team Leader, Legal Advisor, Project Assistant) to ensure effective and timely implementation of Project activities. Depending on circumstances and priorities, relevant experts can be contracted to assist the NOMC.

6. SUGGESTED NOMC ACTIVITIES AND RESPONSIBILITIES

- Convene quarterly meetings per year and develop an annual plan of work.
- Develop a national offshore minerals policy.
- Advise upon the drafting of national offshore minerals legislation.
- Make recommendations for other State decisions regarding deep seabed mineral exploration and exploitation.
- Identify opportunities and suitable candidates for capacity building opportunities; and assess the effectiveness of capacity-building initiatives.
- Work with the SPC-EU Deep Sea Minerals Project, identifying particular activities useful in the local context, or particular national support needs with which the Project can assist.
- Facilitate and mediate discussion and consultation between (i) key stakeholders, affected communities and the general public, and (ii) mining companies and/or relevant Government agencies.
- Raise awareness and disseminate accurate information about offshore marine minerals exploration and mining issues.
- Prepare regular (e.g. quarterly) progress reports/updates and submit them to TAT.
- Represent the country, and provide updates of NOMC activities, at national, regional and international meetings/workshops.

7. FINANCIAL PROCEDURES

Reasonable and agreed costs incurred as a result of the NOMC in-country activities will be covered by the SPC-EU Deep Sea Minerals Project. The funds can be drawn down in advance from SPC, and acquitted for subsequently.

Upon written confirmation of bank account details, electronic transfer of funds will be made directly to the Ministry of Fisheries and Mineral Resources Development (MFMRD) and will be managed by the DSM Project technical focal point in Kiribati, Mr Tearinaki Tanielu. The SPC-EU DSM Project contact for funding requests, and acquittals, is Vira Atalifo, on vira@sopac.org/viraa@spc.int.

An estimate of the annual allocation of agreed costs that will be funded by the SPC-EU DSM Project is set out below, for guidance. The initial transfer of funds required for the transport and refreshment allowance and any other reasonable costs of holding the inaugural meeting of the NOMC will be transferred immediately upon request.

At that meeting, the NOMC should prepare a provisional budget for the first year's activities of the NOMC, including invoices/quotations for its impending activities after the first meeting. Once this has been submitted to, and agreed by, the SPC-EU DSM Project, the funds for those activities can then also be drawn down.

Any expenditure over the total allocation contained in the agreed budget, or on activities that are not contained in the agreed budget and were not otherwise agreed in advance with the SPC-EU DSM Project, will not be funded by the SPC-EU DSM Project.

All expenditure made will have to be acquitted for by Mr Tanielu before the NOMC's next meeting, and before any subsequent request for funding can be approved. SOPAC will

release funds based on satisfactory work done, work plan and progress report. The acquittal must demonstrate how the funds have been spent, and attach original receipts, invoices or other evidence that will meet auditing standards.

The NOMC should provide the SPC-EU DSM Project a quarterly progress report that includes the details of activities that had been carried out in the last quarter, and a work plan with budget for the next 3 months.

SUMMARY OF NOMC ACTIVITIES AND BUDGET

	Activity	Provisional Budget AUD\$
1	<i>Annual transport and refreshment allowance (\$50 x 9 members x 4 meetings)</i>	1,800
2	<i>Raise Awareness Programs and Public Displays (approx. 3 annually)</i>	700
3	<i>Consultations with potentially affected communities and relevant stakeholders</i>	800
4	<i>Development of the National Offshore Minerals Policy and follow-up on legislation drafting</i>	700
5	<i>Other proposed activities to be approved in advance by SPC-EU DSM Project</i>	1,000
	<i>TOTAL</i>	<u><i>AU\$ 5,000</i></u>

ATTACHMENT 2:

Record of One-on-One Meetings with Stakeholders

Introduction

In addition to the National Stakeholder Workshop, a preliminary series of courtesy calls and consultation visits were arranged through MFMRD for the team to make initial correspondence with key stakeholders and formally invite them to the workshop. This section provides a sequential but brief record of these meetings. With the exception of Eco Care Group, the rest of the stakeholders were in office during the time of visit.

1. Office of the President

Date: 14:00; Thursday, 15th September 2011

Location: Office of the Secretary

Participant: Mr Tangitang Kaureata (Secretary for the Office of the President)

Issues Raised/Comments

A general introduction and outline of the project was delivered by Akuila highlighting the key result areas of the DSM Project in which assistance can be offered to PIC states including Kiribati. Based on available data that SOPAC division has, Akuila went on to briefly discuss the mineral potential within Kiribati EEZ.

- Mr Kaureata stated that there have been talks in Cabinet over deep sea mining activities in Kiribati. Offers have been received from a few private entities for offshore exploration and possible mining which Cabinet is taking into consideration. He also indicated that it is the responsibility of the 'Foreign Investment Commission' to decide whether approval should be permitted or rejected to any private entity for DSM exploration. For example in the case of the Line Group, a private entity has shown interest to explore for manganese nodules along this area.
- Tearinaki speaking on behalf of the Minerals Unit (MFMRD) stated there are yet no enacted sound regimes or national framework to govern explorations and mining in Kiribati.
- Akuila advised that should Kiribati consider exploration at any stage, it is important that they work in corporation with a private company so the state does not suffer major losses when exploration is proven unsuccessful.

2. Public Service Office (PSO)

Date: 14:30; Thursday, 15th September 2011

Location: Office of the Secretary

Participant: Mrs Tererei Abete (Secretary – PSO)

Issues Raised/Comments

After introductions Akuila explained briefly on the EU-SPC Deep Sea Minerals Project highlighting that the reason for the visit is due to the third component of the projects key result area which is Capacity Building. He further stated that it is important that the Office (PSO) is made aware of the projects intended capacity building programs for Kiribati to ensure the effective and smooth flow of project activities.

- The Secretary Mrs Abete thanked Akuila for the courtesy call and advised that the Office was not aware of the project and its activities in Kiribati and is thankful for the information relayed. She also confirmed that the capacity building component of the project will be a process that will finally be handled by their office given that the PSO is responsible for all human resources development and recruitment process. She also recommended if the Police Department can also be involved in the projects proposed consultation visits given that the Authority conducts regular maritime monitoring of the area within Kiribati EEZ and can possibly work in corporation with the project in regards to monitoring purposes.

3. Foreign Affairs

Date: 14:50; Thursday, 15th September 2011

Location: Office of the Assistant Secretary

Participants: Ms Daisy Kariua (Assistant Secretary – FA)
Ms Bwaua Cheng (Desk Officer)

Issues Raised/Comments

After introductions Akuila stated that the purpose of the visit was to formally inform Foreign Affairs as the Focal point of SPC in Kiribati of its intended workshop to introduce the project to all relevant key stakeholders. A short introduction to the EU-SPC DSM Project was delivered by Akuila highlighting the fact that PIC have specific needs and priorities differ from each other and it is important that the project identify this key areas so assistance can be channeled towards addressing those needs. PNG as an example has already stated that their need of assistance from the project will be in the areas of capacity building and environmental monitoring.

- Ms Bwaua was thankful for the visit of the team and regret that the Secretary was out of Office and could not be present for the meeting. Both advised that a representative from the Ministry will be present at the workshop.

4. Ministry of Finance and Economic Development

Date: 15:20; Thursday, 15th September 2011

Location: Office of the Deputy Secretary

Participant: Mrs Bintonga Tonganibeia (Deputy Secretary – Finance)

Issues Raised/Comments

Tearinaki proceeded with introductions and Akuila formally introduced the project and its activities in Kiribati. Akuila highlighted that the Ministry of Finance plays a very important role in fiscal regime and taxation purposes for deep sea mining and exploration. He continued to explain that when mining companies consider exploration or mining, they make a huge investment which is risky because when findings are unsuccessful they stand to make huge a financial loss. In this sense mining companies would be looking into flexibility in taxation regimes such as the tender of tax holidays and tax exemptions on equipments that entities use.

- Mrs Tonganibeia indicated that deep sea mining and exploration is relatively new and since the Ministry will be playing a major role when it does go ahead in Kiribati, the workshop will provide a good platform to ascertain more knowledge on this new industry. She felt that persons attending the workshop would be best selected from both their Planning and Taxation Departments as they are likely to be more involved.

5. European Union Office in Kiribati

Date: 15:50; Thursday, 15th September 2011
Location: European Union Office
Participant: Mr Teriba Tabe (Technical Assistant)

Issues Raised/Comments

Akuila indicated the visit to the EU was unplanned as the team was unaware of an EU Office in Kiribati. As it was located in the same building as the Finance Ministry, the team wished to pay a courtesy visit to the EU as the sponsor of the SPC-EU Deep Sea Minerals Project. The activities of the project were relayed to Mr Tabe together with the intentions of a stakeholder consultation workshop and with that an invitation was extended to the EU Office.

- Mr Teriba thanked the team for the visit and was interested to attend the workshop and know more on the planned activities of the project for Kiribati.

6. Ministry of Line and Phoenix Agency

Date: 16:20; Thursday, 15th September 2011
Location: Office of the Ministry
Participant: Mr Manikaoti Timeon (Secretary)

Issues Raised/Comments

Akuila introduced the DSM Project to the Secretary highlighting the potential of manganese nodules and cobalt-rich crusts within the vicinity of the Line and Phoenix Groups. He continued to include that SOPAC currently have data from past surveys conducted by JICA within the EEZ of Kiribati.

- The Secretary was keen to know if exploration is relevant then given that research has already been done in all the three groups; Gilbert, Line and Phoenix Islands. Akuila responded that current baseline data is important because it confirms the mineral potential areas within Kiribati EEZ however for commercial purposes, more exploration needs to be done to be sure of the abundance of these minerals and if it is feasible for mining purposes. There is high risk involved with investment for mining and companies cannot rely on past data alone.
- The Secretary indicated that the Phoenix Islands currently have a marine protected area within its vicinity and the Line Islands have also had talks of forming a conservation area (MPA) too. He indicated that the main driver in this process is the Ministry of Environment.

7. Ministry of Environment

Date: 16:50; Thursday, 15th September 2011
Location: Office of the Ministry
Participants: Mr Ribeta Abeta (Climate Change Officer)
Mrs Taouea Reiher (EIA Officer)

Issues Raised/Comments

Akuila discussed briefly on the key result areas of the project and how it stands to assist all PICs through the development of a regional framework and encourage states to adopt this framework to develop their own DSM legislation, policy and regulations. He stated that Kiribati

have shown interest in DSM exploration therefore a stakeholder consultation such as the proposed workshop will be relevant to bring together a group of stakeholders to identify the priority and needs for Kiribati and ensure that their grievances are addressed in this framework.

- Mrs Reiher acknowledged the need for an EIA process to be conducted before any offshore activity takes place and the inclusion of the Ministry of Environment in the development process. He also stated to consider Environmental Officers in some of the opportunities and activities in the monitoring and assessment stage.

8. Kiribati Association of NGOs (KANGO)

Date: 08:30; Monday, 19th September 2011

Location: KANGO Office

Participant: Executive Director (KANGO)

Comments

A visit was done by Akuila on the morning of the workshop to KANGO Office to formally invite them to the workshop.

ATTACHMENT 3:**List of Participants**

Mr Ribanataake Awira
Permanent Secretary
Ministry of Fisheries and Marine Resources
Development (MFMRD)
Kiribati
Email: riba@mfmrd.gov.ki

Mr Nick Harding
Project Manager
Environmentally Safe Aggregates for Tarawa
(ESAT Project)
Kiribati
Telephone: 93584
Email: nick@sopac.org

Ms Benny Teuea
Economist – Aid NEPO
Planning Office – Ministry of Finance and Economic
Development (MFED)
Kiribati
Email: zesitta@gmail.com

Maryanne Nikaere
Senior Assistant Secretary
MFMRD
Kiribati
Telephone: 21099
Email: maryannen@mfmrd.gov.ki

Mrs Taake Cama
Senior Inspector of Taxes
Tax Office – Ministry of Finance and Economic
Development (MFED)
Kiribati
Email(s): iot3@tax.gov.ki
tcama@mfed.gov.ki

Mrs Rengaua Bauro
Acting Senior Inspector of Taxes
Tax Office – MFED
Kiribati
Email: reggypaul@gmail.com

Mr Watati Irata
Senior Labour Officer
Ministry of Labour and Human Resources Development
(MLHRD)
Kiribati
Email: watati@labour.gov.ki

Mrs Bwaua Cheng
Desk Officer – Asia Pacific
Ministry of Foreign Affairs and Immigration (MFAI)
Kiribati
Telephone: 21342
Fax: 21466
Email: doap@mfa.gov.ki

Ms Taonateata Mathew
Human Resource Development Officer
Public Service Officer (PSO)
Kiribati
Telephone: 21184
Email: tmathew@psso.gov.ki

Mr Teriba Tabe
Technical Assistant – National Authorising Officer
National Authorising Office / MFED
Kiribati
Telephone: 22228
Fax: 22228
Email: teriba_tabe@mfed.gov.ki

Mrs Ema Nauan
Climate Change Officer
Environment and Conservation Department (ECD)
Kiribati
Telephone: 28000
Email: eman@environment.gov.ki

Ms Ruria Iteraera
Legal Officer
Office of the Attorney General
Kiribati
Telephone: 98408
Email: rurial@mfmrd.gov.ki

Mr Puta Tofinga
EIA Office
ECD
Kiribati
Telephone: 28000
Fax: 28334
Email: putat@environment.gov.ki

Mr Tearinaki Tanielu
Minerals officer/Officer in Charge – Minerals Unit
MFMRD
Kiribati
Email: tearinakit@mfmrd.gov.ki

<p>Mr Tion Uriam GIS officer – Minerals Unit MFMRD Email: tionuriam@gmail.com</p> <p>Ms Taobiina Bwatiata Student Moroni High School Kiribati</p> <p>Ms Moanibou Muller Student Moroni High School Kiribati</p> <p>Ms Kirikara Korava Student University of the South Pacific (USP) – Kiribati Campus</p>	<p>Ms Bwetina Teariki Student USP – Kiribati Campus</p> <p>Mr Akuila Tawake Team Leader – DSM Project Secretariat of the Pacific Community (SPC) Fiji Islands Telephone: (+679) 3381377 Fax: (+679) 3370040 Email: akuilat@spc.int</p> <p>Ms Vira Atalifo Project Assistant – DSM Project SPC, Fiji Islands Telephone: (+679) 3381377 Fax: (+679) 3370040 Email: viraa@spc.int</p>
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ATTACHMENT 4:

Presentations Summary

Presentation 1 – Overview of the SPC-EU EDF10 Deep Sea Minerals Project

Presenter: Akuila Tawake

This presentation highlighted some of the background information on the goals of the SPC-EU Deep Sea Minerals Project, the reasons why the project is taking a regional approach, the funding and implementation period and the four key result areas in which the project will deliver against. The key areas are discussed in detail together with the implementation calendar for the duration of the project which is for a period of four years until 2014. The DSM Project beneficiaries, its implementing partners and the expected outputs and outcomes were also discussed as well.

Presentation 2 – Workshop Outline – Objectives, Attendance and Feedback

Presenter: Vira Atalifo

This presentation introduced the objectives and the specific purposes of the workshop. The DSM Project is keen on communication and visibility hence press releases were prepared and issued in February to media outlets in the region prior to, during, and soon after the project inception workshop. This led to expression of interest from various stakeholders in attending the workshop and created a platform where key stakeholders can come together and discuss on issues relating to DSM in their respective countries. Amongst the stakeholders invited were experts in the field of deep sea mining who were expected to provide guidance and advice during discussions.

The DSM Project also held its first Steering committee and the outlines of the outcomes of this committee are also discussed. The overall feedback from the participants was *very good* however suggestions for improvement were also noted and discussed in the presentation as well.

Presentation 3 – Outcomes of the Inaugural Deep Sea Minerals Project Regional Workshop

Presenter: Akuila Tawake

The outcomes of this regional workshop are important in identifying the needs and priorities of P-ACP states and in discussing relevant deep sea mineral issues in the region. Here are the important issues that were highlighted during the discussions:

- A regional approach to regulate the DSM sector
- capacity building in all aspects of DSM
- Encourage and support long-term technology development and transfer
- Addressing Maritime Boundary and Trans-boundary Challenges
- Benefit Sharing
- Collation of existing DSM data and information
- Encouraging Marine Scientific Research
- Identify community concerns and engaging in stakeholder consultation
- Environment Protection Guidelines
- Environment Conservation and Monitoring
- Information Sharing and Outreach
- Precautionary integrated approach to ocean resources management e.g. fisheries
- Systematic and detailed seabed mineral assessments

- Mining Technical Information
- Development of regional and national frameworks
- Fiscal Regime
- Sustainable Economics
- Governance and Transparency

Presentation 4 – DSM Policy Issues

Presenter: Tion Uriam

This presentation covers some of the issues that the deep sea mineral policy framework should cover. These include:

- i. Sound management of minerals resources
- ii. Regulations to protect and preserve the marine environment
- iii. Fiscal regimes
- iv. Ensure maximum benefits from deep sea mineral activities
- v. Financial gains
- vi. Capacity building and institutional developments

The presentation also states the current Acts of state highlighting the fact that they cover mostly terrestrial mining and does not address issues relating to deep sea mining and exploration. There is a need to develop a policy that is in line with UNCLOS, ISA and Madang Guidelines and the Noumea Convention. The following tasks will be discussed during the working groups and should be a priority to ensure the effective progress of DSM in Kiribati:

- a. Development of Offshore Minerals Policy, Legislation and Regulations.
- b. Appropriate Management and Monitoring Framework/Guidelines for deep sea exploration and mining.
- c. Offshore Mining Legal Instruments in relation to existing National Policies, and Regional and International Conventions (e.g. Noumea convention and UNCLOS).
- d. Development of Marine Scientific Research Policy.

Presentation 5 – Deep Sea Minerals Technical Issues – Kiribati

Presenter: Tearinaki Tanielu

The presentation highlights the two economical deep sea minerals that were found with the EEZ of Kiribati. Both manganese nodules and cobalt-rich crusts were found in the Gilbert, Line and Phoenix groups. These were the findings of the 14 Exploratory Cruises for Seafloor Minerals in Kiribati EEZ from 1979 to 1991. Geological models show that all three groups show variation and abundance in both manganese nodules and cobalt-rich crusts.

There is a need to identify the gaps in technical data and focus research and exploration on these areas. Capacity building of nationals through training and workshops to strengthen human resources is important to ensure that Kiribati is well equipped in the future on this new emerging industry. The next step will be to draft the “Kiribati Offshore Minerals Strategy” paper and request the assistance of the DSM Project in the review process. This will draw the way forward for DSM in Kiribati.