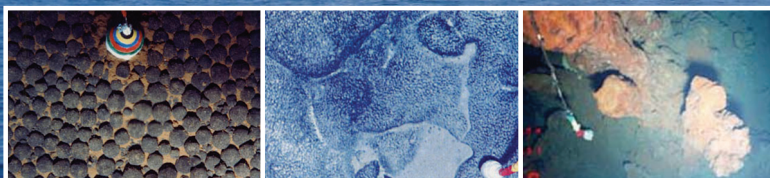


The Prospect



Issue 5, June 2014

NEWS FROM THE SPC-EU DEEP SEA MINERALS PROJECT

Finance Workshop for Deep Sea Minerals: Making sure the Pacific Islands are not left short-changed

IN THIS ISSUE

- **Finance Workshop for Deep Sea Minerals: Making sure the Pacific Islands are not left short-changed**
- **Kiribati National Deep Sea Mining Policy Workshop**
- **International Meetings**
- **Raising Awareness**
- **New partnership with JICA to focus on filling knowledge gaps in DSM data**
- **Capacity Building**
- **Profile – Hannah Lily, Legal Advisor for the Deep Sea Minerals Project**
- **New Resources**
- **Get Involved**

Deep sea minerals (DSM) have the potential to be a game changer for the Pacific. Whether that will be a positive or negative change will depend on many factors, including environmental, legal and financial management by Governments. If revenue is managed transparently and prudently, a deep sea minerals industry could greatly improve the economies and livelihoods of Pacific Island countries.

Though deep sea mining is yet to commence, Pacific Islands are well positioned to put essential policies, laws and procedures in place before mining begins. To assist this, the Secretariat of the Pacific Community-European Union (SPC-EU) DSM Project held the 5th Training Workshop themed: 'Financial aspects of the deep sea minerals industry' in the Cook Islands from 13 to 16 May 2014.

Co-hosted with the Pacific Financial Technical Assistance Centre (PFTAC) – a subsidiary of the

International Monetary Fund (IMF) – the workshop brought together four world-leading financial and regional experts to discuss the implications of this potential new source of wealth for Pacific Island countries.

The workshop focused on promoting good governance of revenue management and looked at the Norway Sovereign Wealth Fund. This is a managed national savings fund that invests in the country's oil and gas income into property, stocks and bonds to generate revenue for the benefit of present and future generations. Although a positive example, the workshop also discussed mismanagement of revenue from extractive industries, emphasising the potential pitfalls associated with improper management of mineral resource wealth.

The workshop was the first step to producing a 'Pacific Regional DSM Financial Framework',



Participants at the Finance Workshop in Cook Islands.

Initiated in 2011, the SPC-EU Deep Sea Minerals Project is helping Pacific Island countries to improve the governance and management of their deep-sea minerals resources in a coordinated way within the Pacific Region.

a template and guideline document, currently under development, that Pacific Islands will be able to use as a point of reference when drafting their financial regimes.

'The trip to the Cook Islands was most educational indeed. The financial aspect of Deep Sea Mining is one of the core areas that need minds to scrutinize and examine the best possible financial regime for the country. During the Conference, a vast group of professionals brought into the discussion various

thoughts on what may be the best possible financial regime. It is important to ensure that the subject of Financial Management and implementation of best possible mechanisms for trust and security purposes should always be aimed for' – Jonathan Kawakami, Assistant Attorney General, Marshall Islands.

[The presentations and proceedings report are available on the website.](#)

Kiribati National Deep Sea Mining Policy Workshop

In May 2014, Kiribati's National Stakeholder Offshore Minerals Committee (NOMC) used a collaborative approach to set out Kiribati Government's policy on DSM. Ms Hannah Lily (Legal Advisor) and Ms Alison Swaddling (Environment Advisor) from the SPC-EU DSM Project joined Ms Tebete England (Kiribati's Mineral Development Officer) in Tarawa for a two-day policy drafting workshop, with Kiribati's NOMC members and other invitees. Fourteen different Government agencies and non-government organisations were represented in the group.

Presentations about Kiribati's geological potential, DSM activities, relevant legal and environmental considerations, and the purpose of national policy prompted lively discussions. The energy and thoughtful participation of every participant was constructive, and despite differing perspectives amongst the group, by the second day of the workshop a solid draft policy was produced with the group's consensus.

The draft policy provides a framework for DSM development activities in Kiribati that is consistent with international conventions and standards, while reflecting circumstances and needs of the people of Kiribati. It aims to facilitate national

engagement with DSM exploration activities with a view to economic advantage in the longer-term, while recognising the level of current 'unknowns', by highlighting the need for precaution, and prioritising the protection of Kiribati's marine biodiversity and other important sea use.

The draft policy will now be reviewed by senior officials and members of Parliament, before a public consultation (alongside translated materials). The goal is to have a finalised version approved by Cabinet and published in early 2015. New legislation may then be required, to operationalise the policy.

The SPC-EU DSM Project congratulates Tebete England and Kiribati NOMC on the inclusive and thoughtful approach taken in the endeavour to have a clear statement of national policy in place before issuing any DSM licences. As one participant expressed it, 'We are collecting the firewood, before we go out to fish. This is good.'

For more information on Public Participation, in DSM decision making, please read [Brochure 14, available on the website.](#)



Participants of the Kiribati National Deep Sea Mining Policy Workshop.

Raising Awareness

The SPC-EU DSM Project stresses the importance of engagement and participation among a wide variety of stakeholders, from local communities to regional non-governmental organisations, to enable Pacific countries to make well informed decisions for their economy, their people, and their country. The DSM Project provides funding to member countries to organise and participate in DSM awareness raising activities.

Kiribati Radio Awareness

The Kiribati National Offshore Minerals Committee (NOMC) through the Mineral Division (Ministry of Fisheries and Marine Resources Development), has been a great energy behind DSM discussions and progress in Kiribati. With assistance from the SPC-EU DSM Project, the Kiribati NOMC initiated a series of monthly national radio shows to share information on DSM. The information was translated into the local language on the radio program 'Nimaua Akea' on Kiribati Radio. After the show, listeners were invited to call in to answer DSM-related questions. Correct answers entitled the listener to send a message to friends and family over the radio.

Questions included were: What are Deep Sea Minerals? Where are they found? What are the types of deep sea minerals found in Kiribati's EEZ? What are these minerals used for?

Kiribati's Mineral Development Officer, Ms Tebete England, said the radio shows had good outreach. Callers to the program were from South Tarawa, as well as from outer islands Abaiang and Nonouti, and Kiritimati. Callers were aged between primary school children to adults over 50. The awareness began in November 2013 and has continued into 2014.

USP DSM Debate Encourages Awareness

The Faculty of Business and Economics (FBE) at the University of the South Pacific (USP) organised a student debate on deep sea mining on 2nd of May 2014. This debate marked the fourth annual FBE inter-school debate. The topic selected by the FBE was 'Seabed mining is essential for Pacific Island Countries' Prosperity'. Mr Akuila Tawake (Head of Geo-Surveys and Geo-Resources Unit) from the DSM Project was invited to be one of the three judges.

The School of Government, Development and International Affairs took the affirmative position and the School of Accounting and Finance was on the opposing side. The debate was lively, and the students had conducted extensive research displaying in-depth knowledge on the issues related to deep sea mining in the Pacific and in other parts of the world. All the debaters made references to the SPC-EU DSM Project and the information provided on the project website.

Debates are a good way to raise awareness, not only for the individual debaters, but for their families, fellow students, and the audience. At the end of the debate, Mr Tawake gave a closing speech on behalf of SPC, and presented certificates and prizes to the participants.



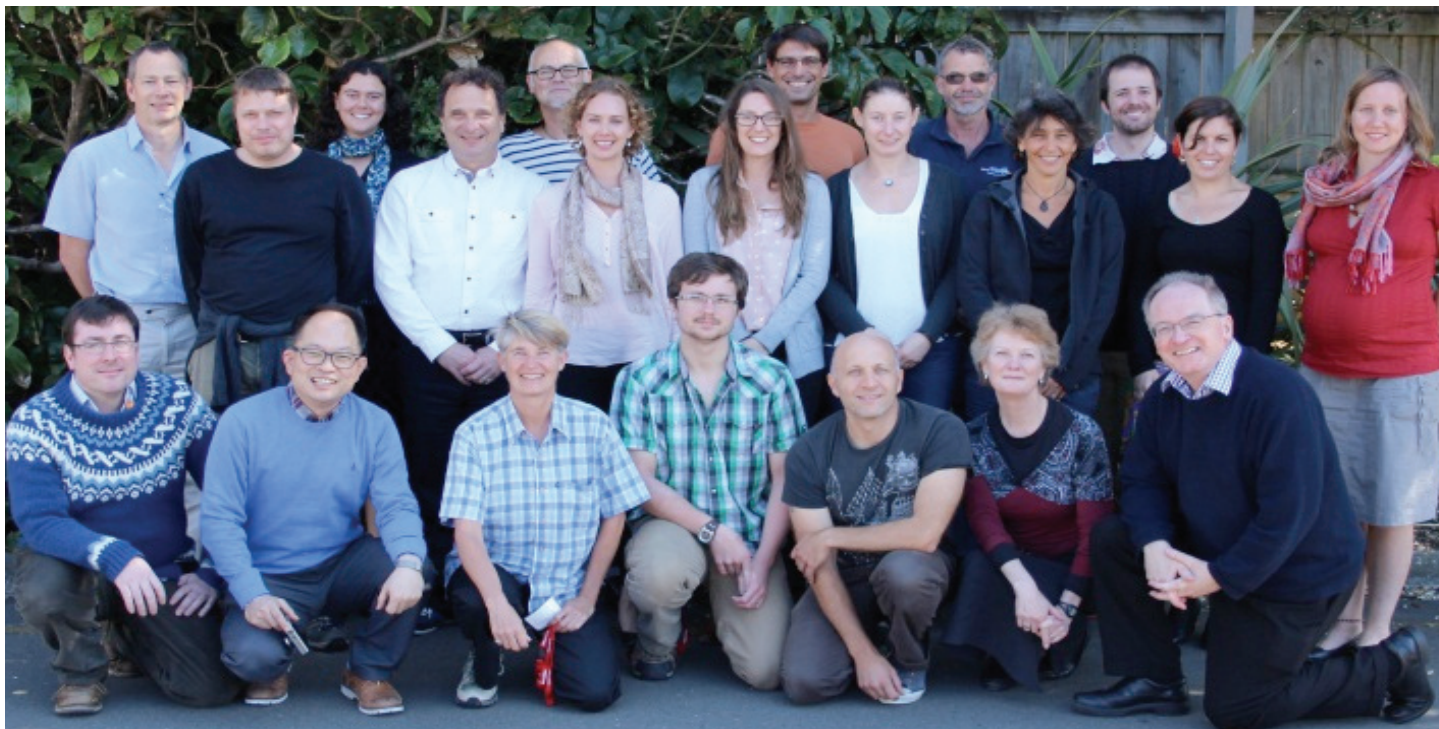
Students debating DSM topics at the USP FBE annual inter school debate.



Mr Akuila Tawake presenting participants with certificates.

International Meetings

VentBase Workshop discusses mitigation strategies for SMS sites



VentBase 2014 meeting participants.

Ms Alison Swaddling (Environment Advisor) represented the Pacific Islands region and the SPC-EU DSM Project at the 2014 VentBase meeting held in Wellington, New Zealand between the 2nd and 4th of April. VentBase is a series of international workshops designed to bring together deep sea experts on hydrothermal vents, the environments where seafloor massive sulphide mineral deposits form, to discuss pertinent topics and develop 'best practice' guidance documents to be used by regulators and industry.

Hydrothermal vents are found in the exclusive economic zones of some Pacific Island countries and are the target of ongoing commercial exploration. With particular emphasis on environmental management, Ms Swaddling presented to the workshop the current status of DSM developments in the region and the work of the DSM Project, highlighting the needs of the Pacific. Workshop discussions were held around the establishment of set-aside areas and mitigation strategies, as well as conservation genetics. Pacific Island countries will benefit from the VentBase outputs, which will assist the management of their deep-sea mineral resources.

DSM recognised as area for future collaboration at the Islands and Oceans Seminar

The SPC-EU DSM Project participated in the 2nd International Seminar on Islands and Oceans held in Tokyo Japan on the 18th and 19th of June. This seminar, organised by the Japanese Ocean Research Policy Foundation (OPRF), brought together representatives of SPC through the SPC-EU Deep Sea Minerals (DSM) Project, Australian National Centre for Ocean Resources and Security (ANCORS), academic institutions and Japanese organisations. Discussions comprised issues facing Pacific countries, the activities underway to address them, and potential areas for future collaboration. Mr Akuila Tawake (Head of Geo-Surveys and Geo-Resources Unit) and Ms Alison Swaddling (Environment Advisor) highlighted the current status of the deep sea minerals industry in Pacific Island countries and the areas where the DSM Project provides support to its member countries. The participants of the seminar recognised that successful implementation of sustainable development objectives in Pacific Island countries requires international multi-stakeholder partnerships.



Mr Akuila Tawake and Ms Alison Swaddling at the Islands and Oceans Seminar in Tokyo.

To this effect, OPRF will be holding a side event at the upcoming UN Small Island Developing States (SIDS) conference in Apia, Samoa. This side event will launch an 'Islands and Oceans Net' network of stakeholders to broaden the current group of participants that contribute to the seminars on Islands and Oceans, to include wider stakeholder collaboration. This can bring integrated sustainable development and management to island countries.

Capacity Building

In addition to the multi-stakeholder regional technical training workshops, the DSM Project offers internship placements (see page opposite) and targeted training to individual government officials/small groups.

Training Courses

ArcGIS Training: Keeping up with GIS technology

Geographic Information Systems (GIS) is becoming a relied-upon integrated business solution for managing data and informing decision makers. A five-day workshop held at the University of the South Pacific in Suva aimed to better understand the potential of ArcGIS: a database management programme. The training was organised by Eagle Technology, the main distributor of ArcGIS in the Asia Pacific and based in New Zealand.

The DSM Project sponsored two current interns Marino Wichman (Cook Islands) and Seruwaia Vasukiwai (Fiji) to attend this training. Ms Vasukiwai said that despite its advantages, technology always underwent changes and was, therefore, thankful to the DSM Project for providing the opportunity to update her skills to keep up.



GIS workshop participants at the University of the South Pacific (USP).

Database Expertise Certification Training

Following the initial two-week database management training sessions in Vanuatu provided by the DSM Project in February and March early this year (see The Prospect Issue 4), the DSM Project supported 'Advanced GIS' training in the Solomon Islands, who have recently implemented new network infrastructure, launching their database systems. The two systems, a Spatial Catalogue and an Enterprise Document Management System, will be essential to the effective management of spatial data, including DSM data.

From 21 May to 2 June 2014, 13 Information Technology (IT) specialists also underwent an intensive two-week certification training course run by Mr Leonard Wong and Ms Naomi Jackson from SPC at the Ministry of Mines, Energy, and Rural Electrification office in Honiara.

Mr Wong said the workshop built on the initial training provided by the DSM Project and gave the participants deeper skill sets to manage their own data and to develop and maintain their own database systems in line with current best practice.



Database management training participants in Vanuatu.

International Negotiation Course

In June 2014, the SPC-EU DSM Project joined with the Pacific Forum Fisheries Agency (FFA) and Wollongong University to run training designed to turn Pacific Island government officials into top negotiators. The course, held in Wollongong, Australia, included a full-day session on deep sea minerals run by Ms Hannah Lily (DSM Project - Legal Advisor). Participants took part in a role-play exercise, pitching their wits against each other as a mining company and a government, trying to agree on a deep sea minerals contract, despite different expectations on each side. There were some surprises over the course, including an attempt at bribery and a local landowner trying to disrupt the negotiations. All participants enjoyed the experience and came away with some new negotiation tactics that could serve them well in their future negotiations. The SPC-EU DSM Project sponsored five participants from the Pacific to attend: Mr Johnathan Kawakami (Assistant Attorney General, RMI), Ms Yolanda Lodge (Assistant Attorney General, RMI), Ms Zoe Genet (Crown Counsel, Cook Islands), Mr Jun Bacalando (Assistant Attorney General, FSM) and, Mr Tokabai Bauro (Deputy Secretary, Ministry of Fisheries and Marine Resources, Kiribati).



Course participants practicing their negotiation skills at Wollongong University.

New partnership with JICA to focus on filling knowledge gaps in DSM data

The SPC-EU DSM Project has teamed up with the Japan International Cooperation Agency (JICA) to delve into DSM data within the region to establish current knowledge gaps and propose work plans to fill these gaps. Collaboration between the SPC-EU DSM Project and JICA provides an excellent opportunity to draw on Japan's previous experience in DSM surveys in the region and will complement the ongoing work of the SPC-EU DSM Project.

Focusing on four countries (Fiji, Papua New Guinea, Solomon Islands and Kiribati), this collaboration will strengthen in-country knowledge of existing DSM information and data previously collected within those countries' Exclusive Economic Zones (EEZ).

Dr Atsushi Ninomiya (Geologist from JICA), Ms Annie Kwan Sing (Legal Assistant - DSM Project), and Ms Vira Atalifo (Project Support Officer - DSM Project) went on a road show of meetings to the four countries, visiting relevant government departments and authorities, industry businesses, and civil society groups.

While there has been some extensive data collected within these countries' EEZs, it was acknowledged at many of these meetings that the management of this data could be improved. The meetings identified that capacity building was required for management and development to increase the productivity of existing data.

The data will be analysed and used to provide recommendations for further marine surveys to fill identified knowledge gaps. The collaboration will continue into 2015 and will include contributions on environmental management.



Ms Vira Atalifo and Dr Atsushi Ninomiya discussing DSM with the Department of Conservation and Department of Energy in Papua New Guinea.

Internship Programme

As part of its capacity-building initiative, the SPC-EU DSM Project has established a successful Internship Programme. To-date, this programme has focused on legal aspects of DSM with government officials and aspiring lawyers receiving first-hand experience with the regional and international law framework governing the deep sea minerals sector. The programme has recently expanded to include environment, geology and geographical information system (GIS) internships. The internship vacancies are available on a rolling basis and preference is given to applicants from the 15 Pacific-ACP countries covered by the SPC-EU DSM Project. For more information on the internships or to apply, please visit the website: www.sopac.org/dsm.

| Internship | Number of Participants to Date |
|------------------------------|--------------------------------|
| Legal Internships | 14 |
| Legal Government Attachments | 7 |
| GIS Internships | 3 |
| ISA Legal Internships | 2 |
| Geology Internships | 2 |
| Project Internships | 1 |

Government Attachment

Name: Mr Leonito (Jun) Bacalando, Jr.
Nationality: FSM



Mr Leonito (Jun) Bacalando, Jr.

Jun is the Assistant Attorney General for FSM. He joined the DSM Project as a Government Official Trainee for the first two weeks of April, 2014. During his time with the Project, Jun reviewed and finalised the FSM's draft Seabed Resources Bill, which has since been transmitted to Congress for approval – well done Jun!

"Through the placements with the DSM Project, FSM has benefitted not only from better understanding of the legal framework needed for the DSM project, but also from learning about the scientific and commercial background and applicable environmental standards."

Legal Interns

Name: Mr Eric Iban
Nationality: Marshall Islands

Eric was the 12th legal intern to join the SPC-EU DSM Project and is a graduate from the University of the South Pacific. He joined the team for one month as part of his Professional Diploma in Legal Practice placement. During his internship, Eric assisted the finalisation of a draft Seabed Management Bill for the Marshall Islands. Eric has now joined the Attorney General's Office in the Marshall Islands and the DSM

Project wishes him all the very best for his future career. From his assistance on the Bill, he is now part of the Deep Sea Minerals Legal Team in the Marshall Islands.

"During my short time, I felt the family atmosphere and everyone buying into the teamwork concept. Also, I enjoyed working on the given task and I learnt a great deal from the DSM Project Team."



Mr Eric Iban

Name: Ms Theresa Momoisea
Nationality: Samoa

Theresa, a law graduate from Waikato University, was the DSM Project's 13th legal intern: unlucky for some, but lucky for us! Theresa pitched in with a wide range of legal research and drafting work during her two months with the Project's legal team. Theresa hopes to return to Samoa and to work for Government on the development of national environmental laws and management. "I felt the internship is very important.

I have gained a lot of knowledge on DSM and see it as a foundation on which to start my career."



Ms Theresa Momoisea

Name: Mr Melino Bain-Vete
Nationality: Fiji/Tonga

Melino was recruited to the SPC-EU DSM Project as the 14th legal intern. His interest in deep sea minerals arose while completing his Masters in Environmental Law at the University of London. During his internship, he completed a first draft brochure on 'Manganese Nodules' and worked on one country's national DSM policy.

"I thoroughly enjoyed my time working with the DSM team. The work is engaging and there is a sense that what we do makes useful contributions to the work programme. The level of responsibility we are given as interns encourages us to take ownership of our work and provides opportunities to build new skills and be exposed to new experiences, which aren't typically available in other internship programmes."



Mr Melino Bain-Vete

Profile

Hannah Lily

Legal Advisor, Deep Sea Minerals Project



Hannah Lily

Hannah joined the SPC-EU DSM Project as Legal Advisor in October 2011. After three years of dedicated work based in Suva, Fiji, Hannah's contract has finished and we are sad to see her leave.

During her time with the DSM Project, she visited 12 of the project countries and even managed to get aboard a Deep Sea Research Vessel – while it was docked in port.

The DSM Project team thank Hannah for all her hardwork. We wish her all the best in her new adventures.

Q: Where are you from and what was it like growing up there?

A: I grew up in Canterbury, in Kent, 'the garden of England'. It was a great place to grow up – beautiful countryside, Roman history, and it's not too far from the sea. Although, sadly, our beaches are stony not sandy and we don't have palm trees and, of course, it's freezing cold most of the time... Why I am leaving Fiji again?

Q: What do you like most about this job?

A: Where do I start? Well, I guess number one is the people. I've enjoyed working with the DSM Project team and my country colleagues so much, and I've learnt a lot from you all too. Travelling around the region and getting to know the islands has been amazing also. I guess the complexity of the job is a plus too – it has kept me interested and challenged. It's not often that lawyers have the opportunity to work in such a new area and can just make up their advice out of thin air (only kidding!)

Q: What has been your greatest achievement in this role?

A: I am so impressed with what the Project's small team has achieved in a short time. These are all team efforts, and I'm so proud of us! If I had to pick just one, I think it would be the Legal Internship scheme. It's been such a pleasure to work with bright young lawyers from across the region, and I will leave this job happy in the knowledge that there are 25 brilliant DSM lawyers at large in the Pacific, thanks to the SPC-EU DSM Project's Internship Scheme. Oh, I am also very proud of one of the Project's first products: the Regional Legislative and Regulatory Framework for DSM – otherwise known as the RLRf. Just in case any of our readers are not already familiar with this essential DSM reading, here's the link.

<http://www.sopac.org/dsm/public/files/2014/RLRF2014.pdf>

Q: What will you miss the most about living in Fiji?

A: The warmth – human as well as climate.

Q: Q: What does the future hold for you?

A: Good question! I am not sure yet. Hopefully a vacation!

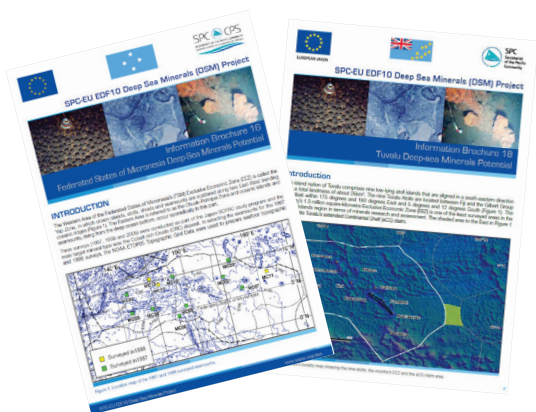
Q: What's the one thing you'd really like to do that you haven't done yet?

A: Write a novel.

New Resources

The DSM Team has developed two new country-specific Information Brochures for the Federated States of Micronesia and Tuvalu. These brochures summarise the geological potential of DSM in these countries, based on available data to date. A full list of available brochures is on the website.

<http://www.sopac.org/dsm/index.php/resources>



Get Involved

DSM Project Internships

The DSM Project offers internships in Law, Environment, Geology and GIS. For more information on the internships, visit the website:

www.sopac.org/dsm

DSM Project LinkedIn Group

The DSM Project has set up a LinkedIn Group Page:

<http://www.linkedin.com/groups/Deep-Sea-Minerals-Project-6646605>

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