

Future Ocean Deep Sea Minerals Workshop

Cook Islands presentation

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Seabed Minerals Commissioner
Cook Islands**

March 18-20, 2013 Kiel, Germany

Guten tag.
Mein name ist Paul Lynch

Ich lebe in den Cook-Inseln
Ich arbeite als **Komissar fur Seabed Minerals**
in den Cook Inseln

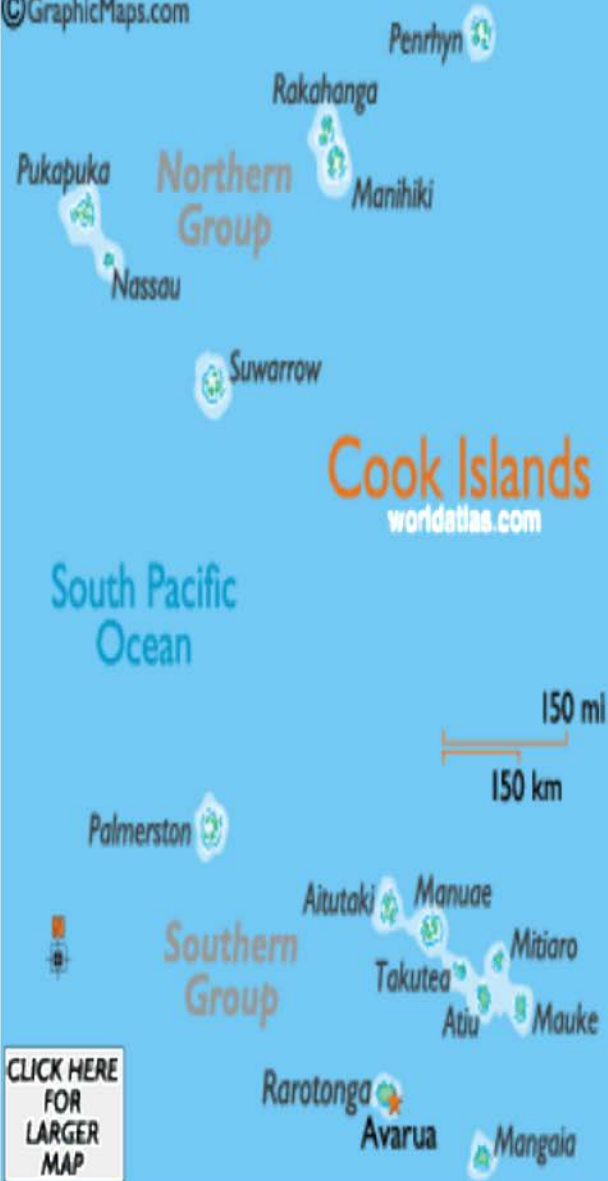
Viene Dank fur die einladun nack Kiel
Danke GEOMAR

This Presentation is
based on recent Seabed Minerals (SBM)
events and
my SBM Research Paper
***“TOWARDS THE DEVELOPMENT OF A
NATIONAL REGULATORY
FRAMEWORK FOR
SEABED MINING
IN THE COOK ISLANDS”***

Paul Lynch Cook Islands

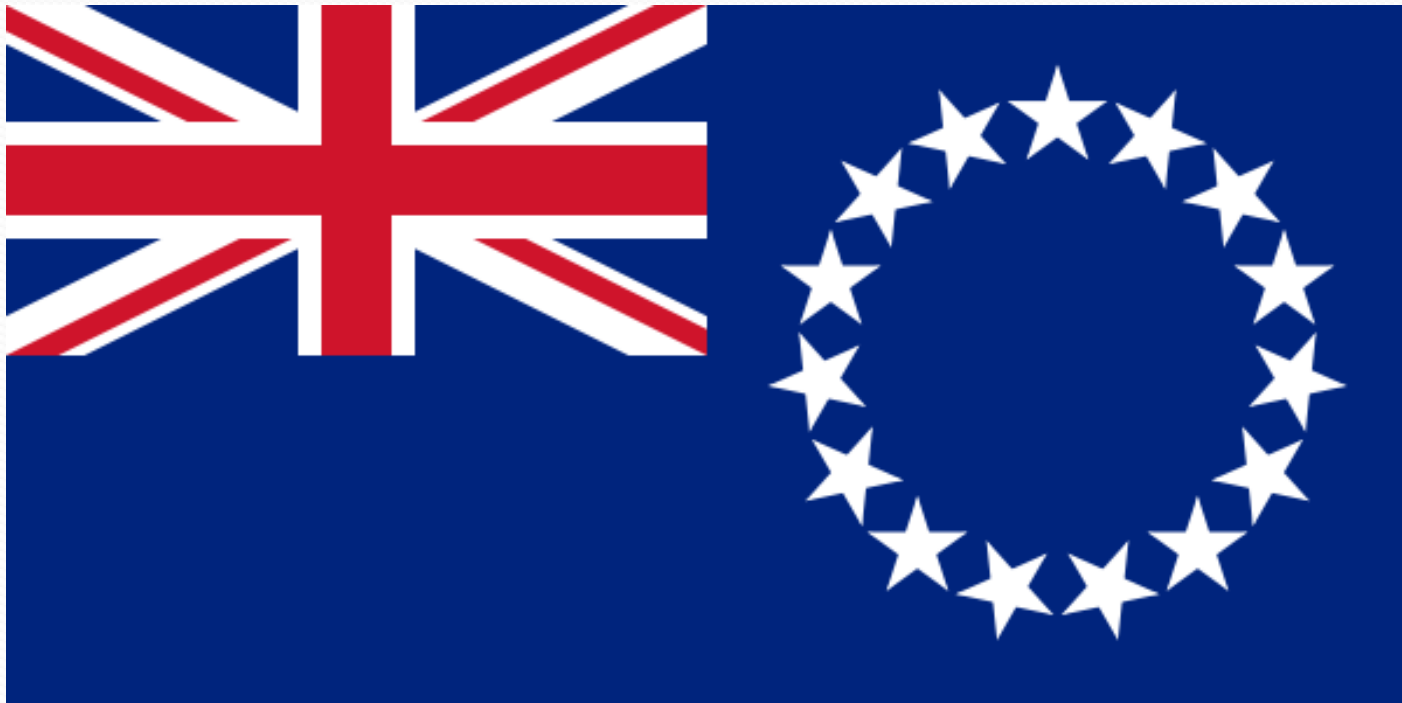
http://www.cook-islands.gov.ck/docs/research_paper.pdf

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The Cook Islands- a large ocean island state

In August 2012 we hosted the Pacific Islands Forum



Cook Islands- Country report

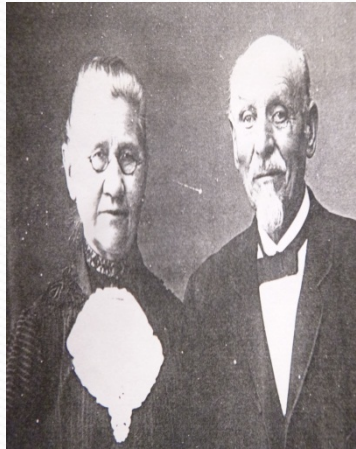
- Developing nation, low natural resources, small land area, infrastructure constraints, large public service.
- **Tourism #1 earner**
- Large EEZ 2 million km² of deep ocean, 4-5,000m
- No army or armed Police force or gangs.
- Good education levels, involved and public opinion and debate,
- Low level corruption and criminal offending.
- Environmental concerns re. SBM are great given our reliance on tourism (clean beaches image).

Rarotonga- our capital

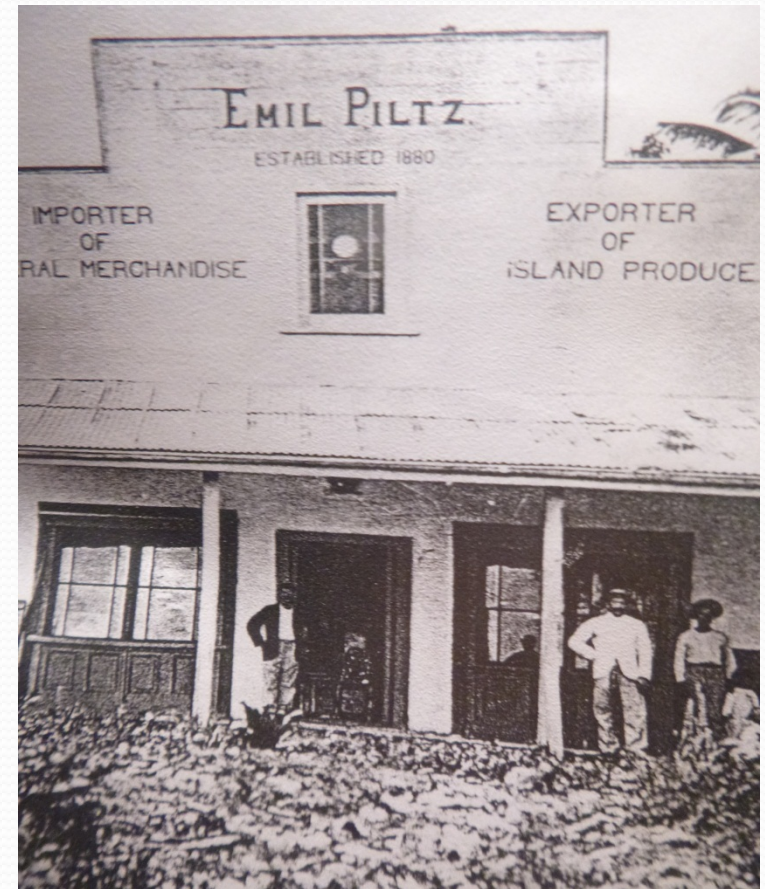


Willkommen to Cook Islands again...

**Catherine
and Emil
PILTZ 1825**



**Son Captain
EMIL PILTZ**
from Holstein b. 1851
Cook Islands Merchant
1878-1910



My grandmother, **OAKIRANGI**,
Princess and daughter of a paramount Cook Islands Chief King,
grand-daughter of **Captain EMIL PILTZ**, of Holstein



Seabed Minerals is a new frontier endeavour and challenge

- In 2013/14, as GEOMAR stated “*ships of opportunity*” will again be welcome in the Cook Islands
- Time for another German Ocean adventurer to sail into Cook Islands waters to discover a new life of adventure and opportunity
- Cook Islands Manganese Nodules are a new opportunity

Cook Islands Manganese Nodules

Our future in good hands



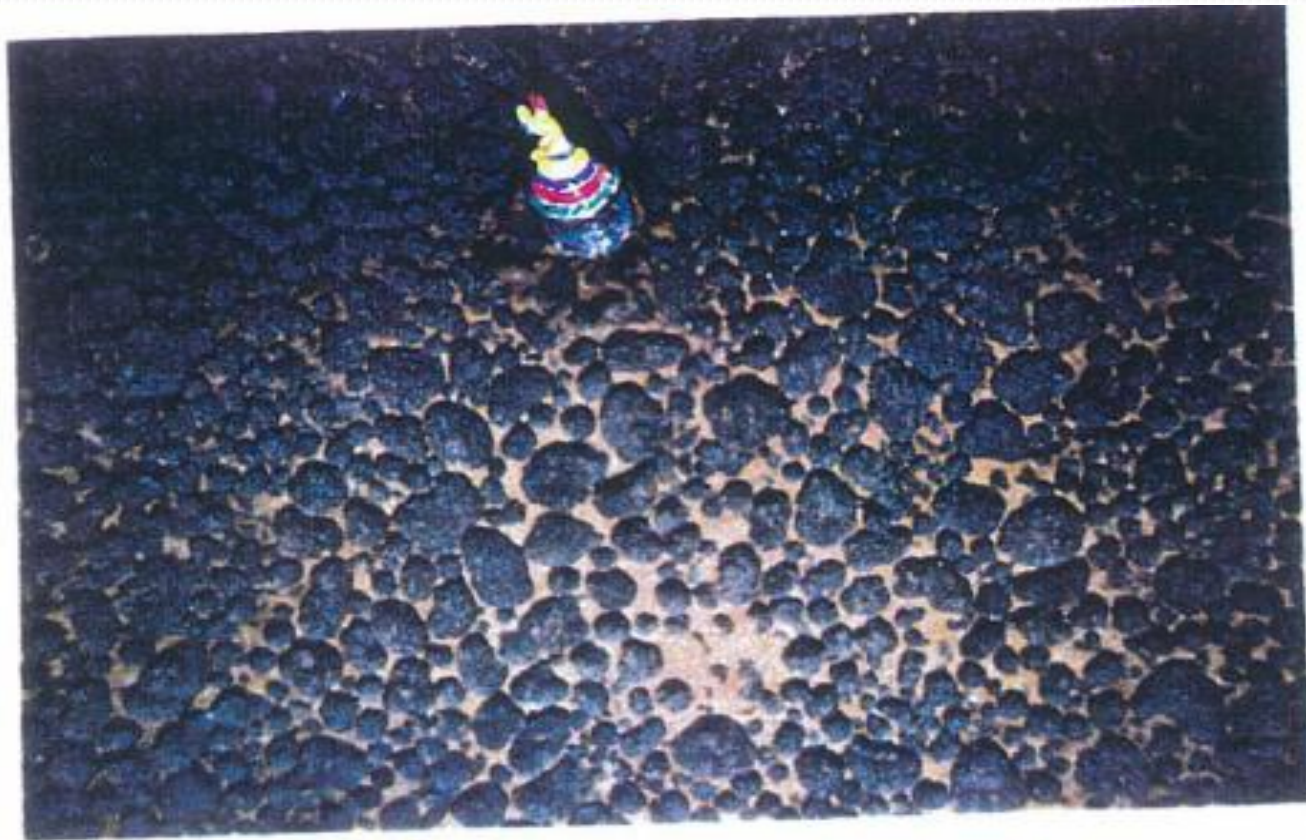
SBM History in Cook Islands

Exploratory Surveys found High Grade Nodules

- 1970's-Nodules reported by Russian/US researchers
- 1972 **RV Tangaroa** - Rarotonga
- 1976 **RV Ravakai** – Penrhyn
- 1980 *Hakurei Maru* – south Penrhyn Basin
- 1983 **Hakurei Maru 2** – south Penrhyn Basin
- 1985 – 1990 **Hakurei Maru 2** – north Penrhyn Basin
- 1990-1995 - 1 mill km² south EEZ
- 1985-2005 **SOPAC/Japan** -Pacific wide EEZ study

Cook Islands Nodules

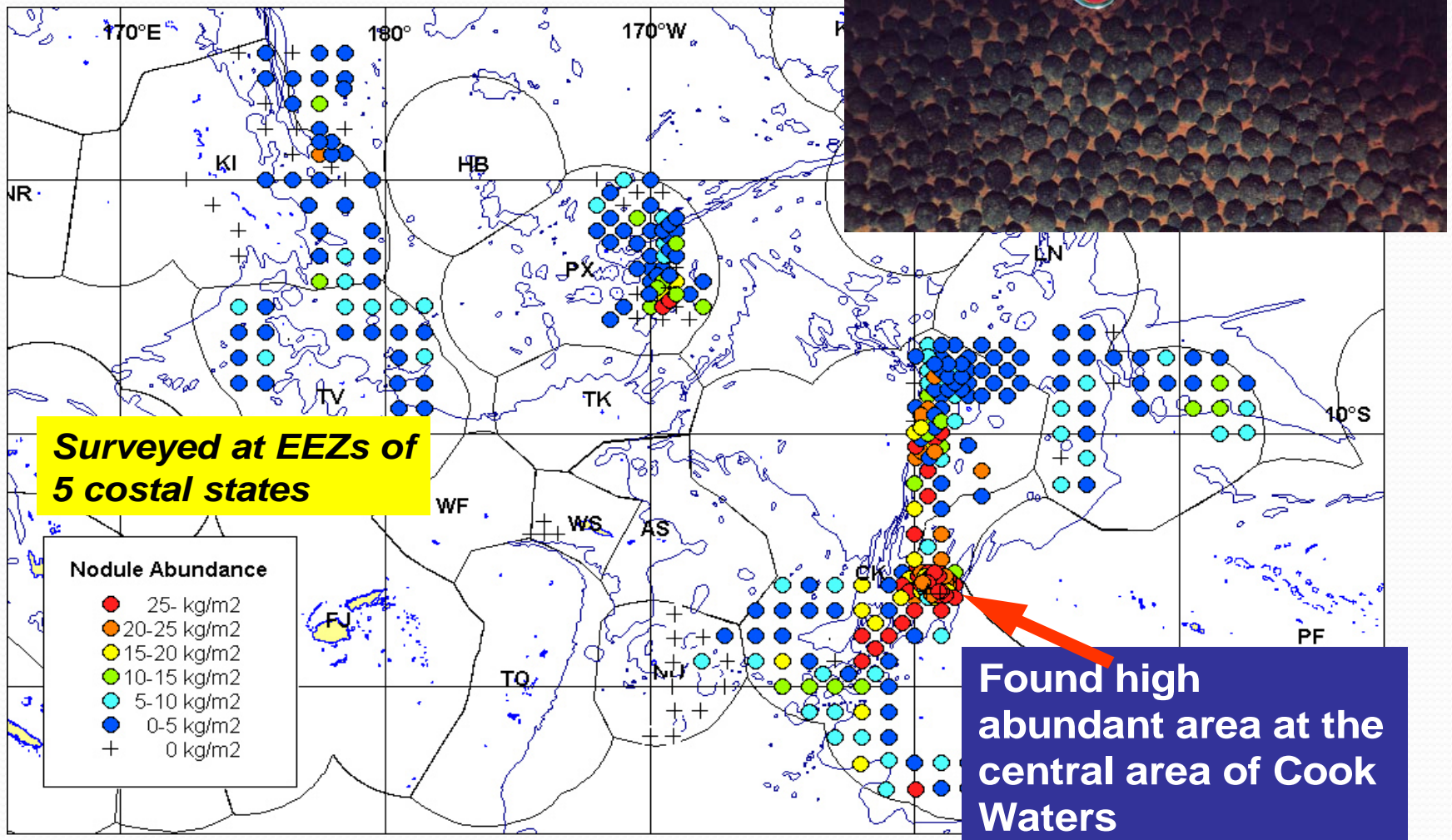
High abundance (42-47 kg/m²)



*Aker
Solutions-*

10kg/m² is
viable to
consider
SBM

Nodule Abundance



Seabed Minerals in the Cook Islands

- **Water depth:**
3,500~5000m
- **Area of EEZ:**
2.4 million km² *
- **Area of nodules $\geq +5$ kg/m²:**
750,000 km²
- **Target metal:** Cobalt
- **Potential by products:**
Nickel, copper, manganese, titanium, vanadium, REE

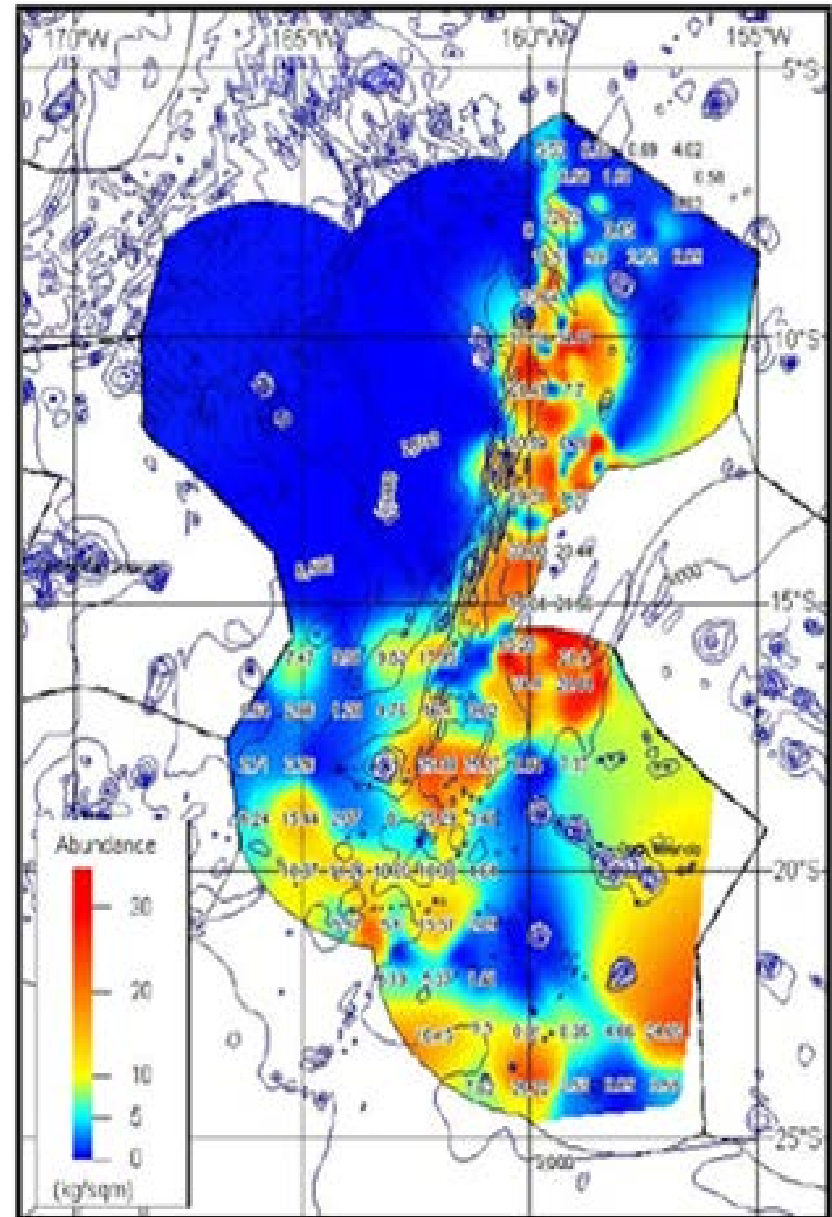
Mn Nodule Resource Base

10,267 million tonnes

- **Cobalt grade:** 0.41%

2013

- **Prof. Cronan-** Co-Mn-Ti-REE ,V resource ,
- **Jim Hein -REE assessment**



Now and towards 2015....

- For 40 years, the Cook Islands have been awaiting advances in Technology to mine at depth
- Little progress for years.

BUT NOW....

- With recent technological advances and interest in SBM due to new demand for minerals
- The Cook Islands government has become very active again in the area of SBM

Box sample of Nodules



Striking the right balance...

- The Cook Islands has taken an unprecedented effort to seek the best international advice and consultations to set its Regulatory framework for SBM activities
- The Cook Islands has enacted the world's first legislation dedicated to SBM activities, needs effective **monitoring of compliance** when implementation begins
- We must balance competing desires (1) **to welcome foreign investment in SBM** and (2) **to protect and enhance our national, social, economic and environmental well-being**

SBM Policy of the Cook Islands

- A comprehensive national **SBM Policy** has been completed and taken through consultations
- The SBM Policy has been adopted by both the former and new governments
- The SBM Policy provides –
 - a **written declaration** of the principles that will guide the Government of the Cook Islands in the management of SBM.
 - the **foundation** for the comprehensive **regulatory framework** to be established to ensure wise management of the SBM for the benefit of present and future generations of Cook Islanders

SBM Act 2009 of the Cook Islands

- The centerpiece of the regulatory framework is a new and comprehensive law to govern SBM activity in the Cook Islands;
- Contains provisions to govern all rights, obligations and interests in SBM in the Cook Islands;
- Reflects international best practices concerning in the extractive industries (mining and petroleum);
- Contains provisions that reflect the unique elements of SBM activity and is carefully tailored to complement existing laws in Cook Islands.
- **Commenced on 1st March 2013**

SBM activities in 2011-13

- Founding nation in the **SPC/EU DSM Project**, June 2011
- **Cook Islands received 2 Exploratory Applications** in its EEZ
Both postponed by the Minister, until we complete our
Regulatory Framework, with assistance from DSM Project &
informed by ISA standards
- **Natural Resource Adviser** appointed for 2012
- **2012/13 SBM Budget** provided
- **Drafting SBM Regulations** underway–Fiscal and Environmental
- **Tender Process for Exploration** being prepared for 2013/14

SBM Institutional arrangements

- The **Minister** is responsible for the implementation of the new law with new **2012/13 Budget**;
- On **June 26 2012**, '**National Seabed Minerals Authority**' was created, with day-to-day responsibility for administering the new law, including licensing, monitoring, compliance and enforcement;
- On **29 August 2012**, the '**Seabed Minerals Commissioner**' was appointed by the Minister will be the Head of the National Seabed Minerals Authority;
- By **March 1, 2013** a '**Seabed Minerals Advisory Board**' was established to provide a formal avenue for community and stakeholder consultation and participation concerning management of the seabed minerals sector.

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

Role and Functions (s 34)

- Provide recommendations on the management of seabed mineral resources

**‘Voice of the community’
not experts**

- 9 Southern & Northern Group representatives, traditional chiefs, private sector, academics, religious and environmental spokespersons

Board will require:

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



SBM Model Agreement

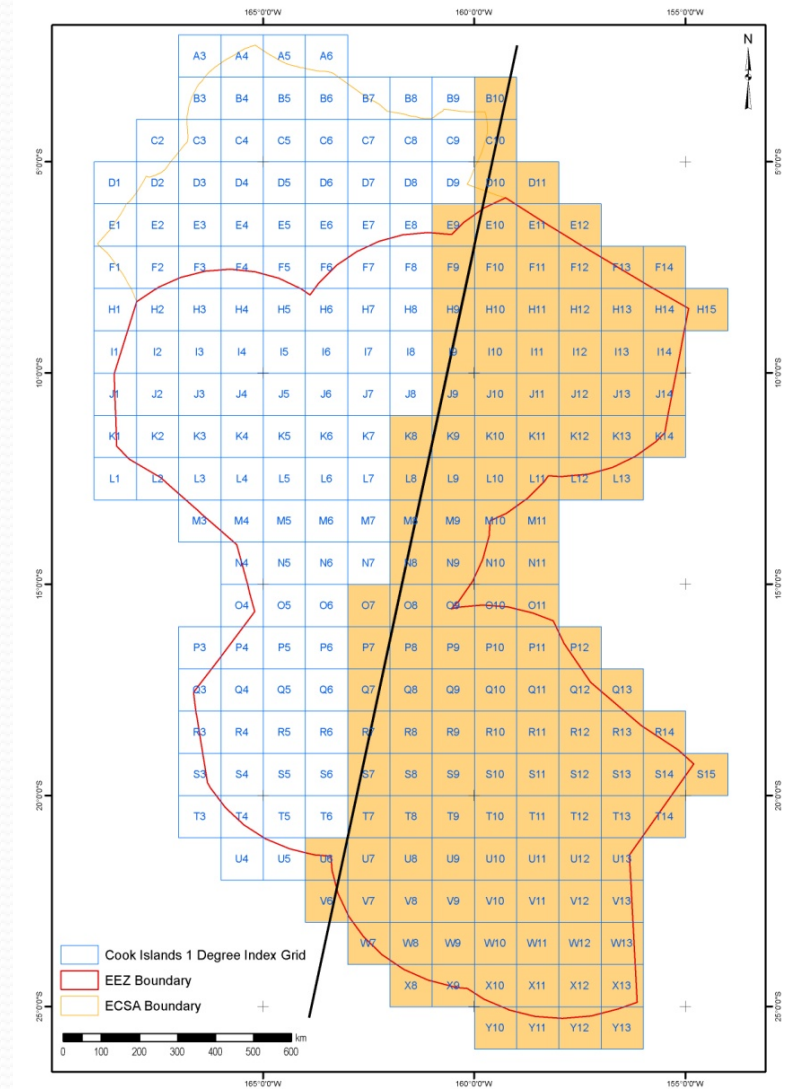
- The SBM Act provides a ‘**Seabed Mineral Agreement**’ in accordance with accepted international practice;
- A legally-binding agreement between the Government and a mining company;
- An avenue for the Government and a mining entity to agree to specific undertakings to facilitate the conduct and financing of SBM activities;
- Negotiated according to a **Model Contract Agreement** prescribed under the Act, so as to enhance the positions of Government and SBM mining entities

Foreign Investment in SBM

- BTIB role and MFEM Act controls
- Governed by the SBM Act 2009
- The Minister approves SBM investment
- Minister enters SBM Agreement
- In a process managed by the SBM Authority
- SBM Authority conducts the negotiations

Commencing the Licensing process

- International Tender for Exploration Blocks
 - *Anticipated dates: July 2013 – February 2014*
 - Transparent, competitive and nondiscretionary procedures for the award of Exploration rights
- Enough existing data to put together Tender package of best sites
- Seabed Minerals Licensing Regulations to be drafted





Welcome

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

Website: www.seabedmineralsauthority.gov.ck

Launched 8 March 2013

COOK ISLANDS FUTURE BENEFIT

- To ensure that the Cook Islands benefits from any entry into the SBM sector
- The Cook Islands must set and apply a regime of controls for operations in the SBM sector
- We are ready and willing

Capacity Building required

- The SBM Act 2009 came into force on 1st March 2013
- It requires significant **Budgetary support** from the Cook Islands Government and **assistance** from overseas partners to assist to continue to develop our institutional framework
- Also **Capacity building and training** is required of Cook Islanders to be able to wisely manage and benefit from this exciting resource, in both environmental and financial terms

Vielen Dank

Thank you.

Networking and making friends

