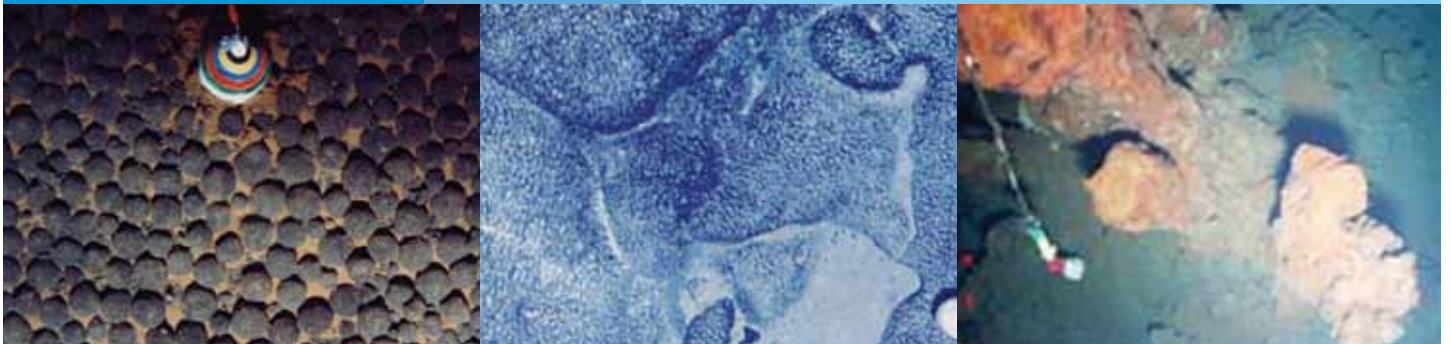




SPC-EU EDF10 Deep Sea Minerals (DSM) Project



Information Brochure 1 Deep Sea Minerals (DSM) Project Overview

Rationale

Existing legislative instruments that define and govern the marine spaces of the Pacific Island Countries (PICs) equate to sovereign rights and ownership of the non-living resources of the seabed and subsoils within the region's Exclusive Economic Zones (EEZs) and potential extended continental shelf areas but do not necessarily provide the required legal and policy frameworks to govern these resources. Regional legislation that deals with offshore resources are usually silent on the management of seabed minerals and more often designed to administer the ocean's living resources such as fisheries. By comparison, most of the active mineral and mining legislation in the region is applicable only to onshore exploration and exploitation with little or no mention of the offshore resources.

Apart from the lack of policies, legislation and regulations to govern mineral exploration in the marine environments of PICs, specific technical capability and human resources that will enable countries to effectively participate in the development and management of these new ocean resources and benefit streams are lacking. Thus the ability of PICs to effectively regulate and monitor offshore exploration and mining, manage revenue streams and monitor and mitigate environmental impacts is weak. There is also a general lack of understanding in many PICs of the nature and economic potential of these mineral deposits as well as factors that are going to affect the viability of any possible mining operations.



Figure 1. Active onshore mineral mining in the region are administered through relevant policy and legislation that do not govern offshore minerals exploration and exploitation.

Offshore mining has the potential to generate significant wealth and the equitable and sustainable management of these new revenue streams, capitalising on new employment opportunities and other indirect economic benefits is of critical importance. It is therefore crucial for PICs to put in place enabling mechanisms that safeguard the interests of the country and its people while at the same time encourage investment in offshore minerals exploration and mining in the region.

Project Goal and Objectives

The goal of the project is to expand the economic resource base of Pacific ACP States by facilitating the development of a viable and sustainable marine minerals industry. The objective is to strengthen the system of governance and capacity of Pacific ACP States in the management of deep-sea minerals through the development and implementation of sound and regionally integrated legal frameworks, improved human and technical capacity and effective monitoring systems.

Key Result Areas and Main Activities

The project will have four Key Result Areas: (1) Development of Regional Legislative and Regulatory Framework(s) (RLRF) for offshore minerals exploration and mining; (2) Formulation of National policy, legislation and regulations; (3) Building national capacities; and (4) Effective management and monitoring of offshore exploration and mining operations.

With the Project assistance, the RLRF can be used by individual PICs to develop their national frameworks for the management of their marine mineral resources. The work is of critical importance if PICs are to have effective environmental, fiscal and social management instruments in place for the exploration and exploitation of deep-sea minerals.

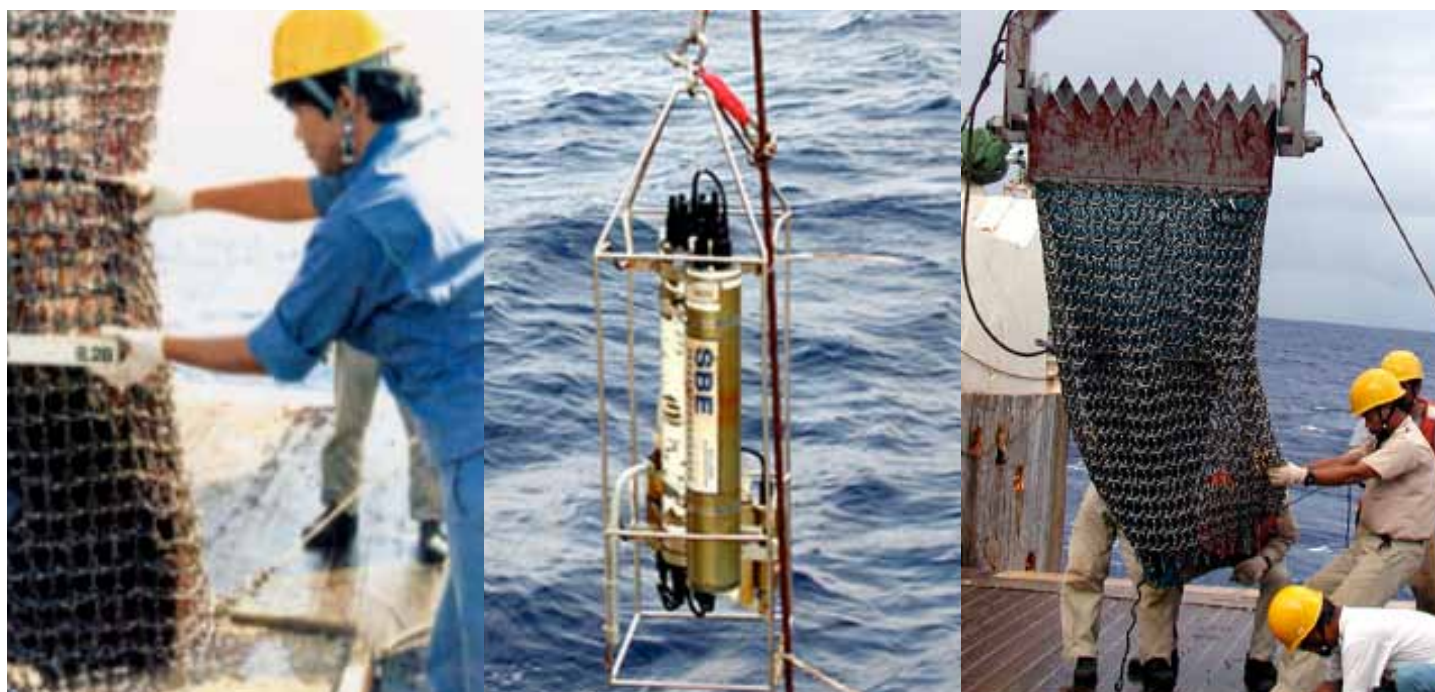


Figure 2. Offshore mineral resource evaluation and environmental monitoring activities are crucial to ensuring that best mining practice is implemented in the region.

Participating Countries

The project is to be implemented in fifteen PICs: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu and Vanuatu.

Beneficiaries and Benefits

The main beneficiaries of the project are:

- National Government;
 - a regional framework for the harmonisation of national policies and legislation in PICs,
 - robust policy, legislation and regulations for the management of seabed mineral resources,
 - increased human and technical capacity,
 - improved ability to optimize revenues from mining,
 - increase employment,
 - mechanism in place for equitable sharing of wealth generated from mining,
- Potentially Impacted Local Communities;
 - legal platform for engagement with government and other stakeholders
 - knowledge strengthened through regular awareness program,
 - avenues available for more sustainably distributed royalties if mining occurs,
 - employment and business opportunities

Other beneficiaries include:

- Private Sector;
 - legal framework to guide them,
 - collaboration opportunities,
 - information/data to improve operation.
- Marine Scientific Research Community;
 - legal framework governing scientific research,
 - opportunities for scientific studies and monitoring,
 - collaboration opportunities.
- National and Regional Institutions;
 - collaboration opportunities,
 - opportunities for students.
- Non-State Actors;
 - legal framework to guide them,
 - information to guide advocacy program,
 - potential opportunity for funding,
 - work opportunities,
 - promote good governance practices.

Summary of Stakeholder Involvement

A summary diagram illustrating the various levels of stakeholder involvement and interests is shown in Figure 3 below.

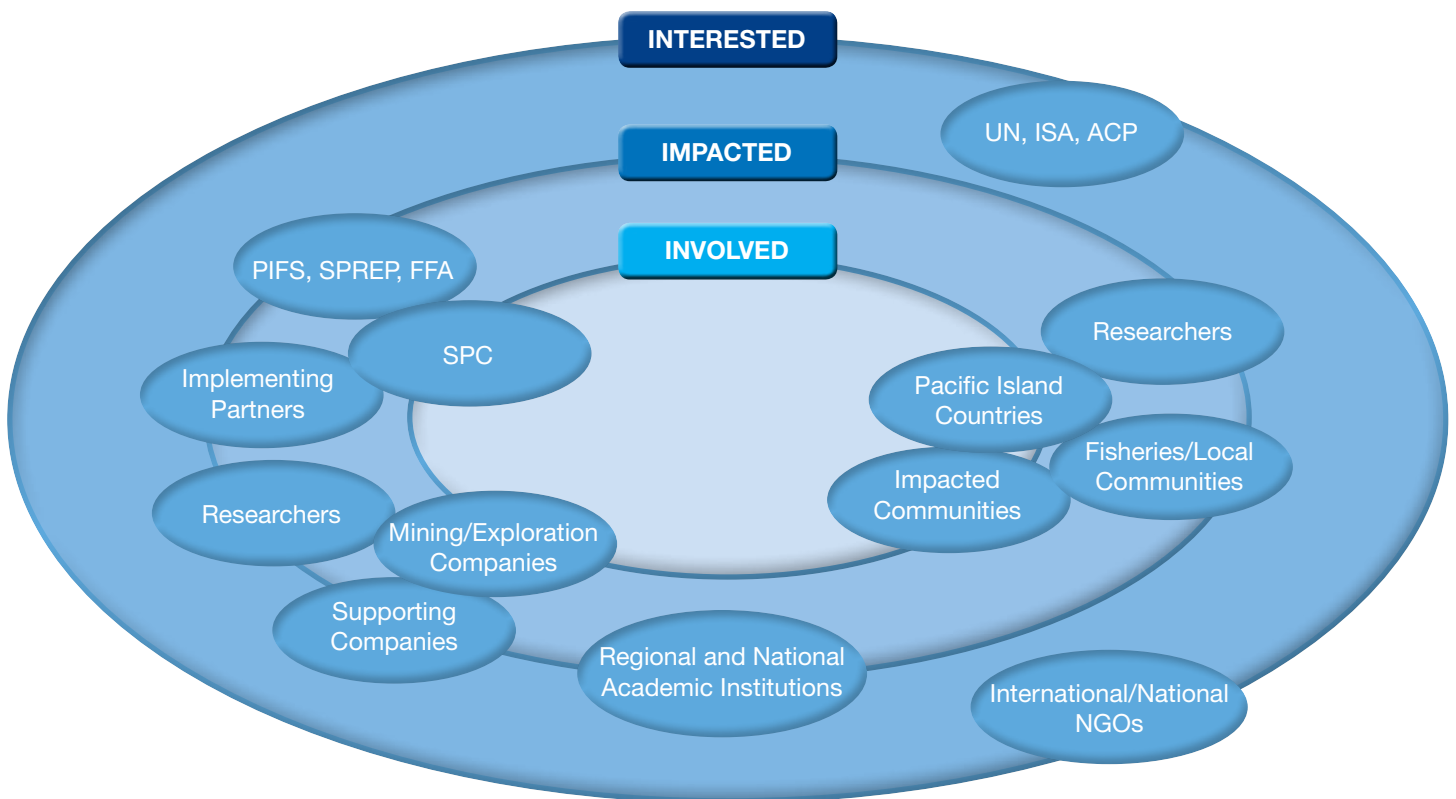


Figure 3. Summary of the DSM Project stakeholder involvement and interests.

Project Implementation

The Project is funded by the European Union under the 10th European Development Fund and will be implemented by the Secretariat of the Pacific Community (SPC) through the Applied Geoscience and Technology Division (SOPAC) for a period of four years. Stakeholder participation and collaboration will be encouraged and strengthened during the project life. The diagram in Figure 3 above summarises the levels of interaction and involvement of various stakeholders and portrays the expected integrated approach of project implementation.

Any involvement of participating countries on technical and funding issues will be channelled through existing government structure(s) to ensure accountable and transparent performance. This will enhance the participatory approach of project implementation and supports institutional strengthening. Linked to this is the sustainability of benefits throughout the project life and beyond. The simplified flowchart below (Figure 4) summarises the implementation process of the Project from the planning stage to the expected outcomes.

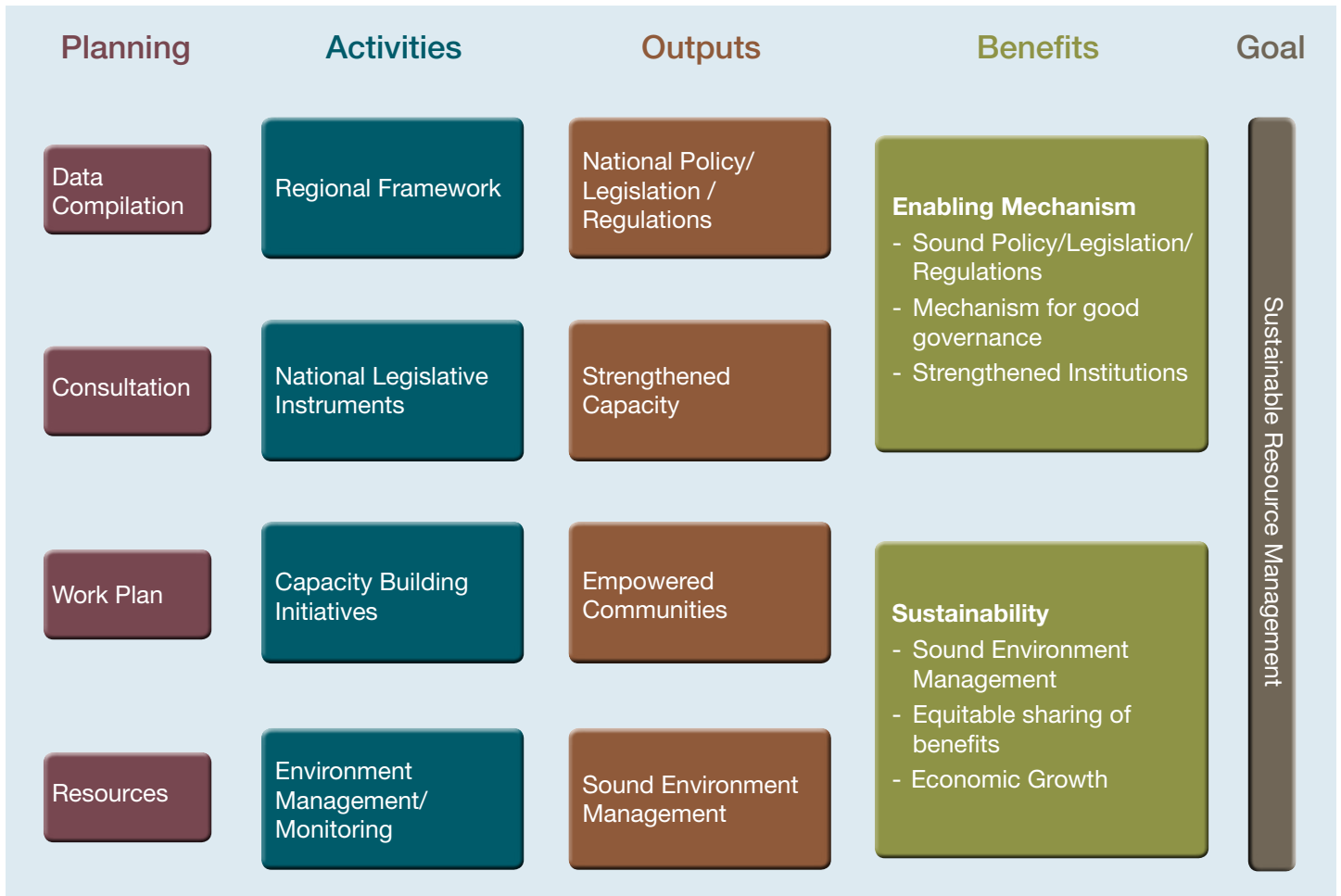


Figure 4. Project Implementation Flowchart.

Implementing Partners

The Project will work in partnership with national and regional organisations and Non-State Actors (NSAs) for effective and enhanced task delivery. Relevant government agencies of PICs including the Mines or Natural Resources Departments are expected to be key national partners. Additionally, the assistance of relevant experts of various disciplines associated with offshore minerals will be sought. The SPC is cognisant that collaboration with national and international agencies will be a crucial factor in providing the best possible assistance to PICs. Potential technical implementing partners include the International Seabed Authority, the Commonwealth Secretariat, UNEP/GRID-Arendal, International Marine Minerals Society (IMMS), Geoscience Australia, and others.