



# The Cook Islands Seabed Minerals Journey

## Seabed minerals in the Cook Islands Exclusive Economic Zone (EEZ)

Exploration for seabed minerals (**SBM**) within the Cook Islands EEZ was first carried out by US and USSR research vessels in the 1960s.

Further exploration undertaken in the early 1970s through to the early 2000s identified significant nodule resources containing manganese, cobalt, nickel, and copper, currently estimated to total 12 billion tonnes.

To ensure the effective and responsible management of our SBM resources the Cook Islands passed dedicated seabed minerals legislation in 2009, through the advice of the Commonwealth Secretariat.

This was followed by the establishment of the Cook Islands Seabed Minerals Authority (**Authority**) in 2013.

## Improving our regulatory regime

In 2018, the Minister responsible for Seabed minerals (**Minister**) made the decision to put a hold on SBM activities to allow Government to review its legislative frameworks and processes. In 2019 a new Seabed Minerals Act was passed to provide for the effective and responsible management of SBM activities.

The changes included a more robust and transparent licensing process, and introduction of an expert Licensing Panel to evaluate applications.

Following this, the Cook Islands launched a transparent and competitive tender process for exploration licences in October 2020.

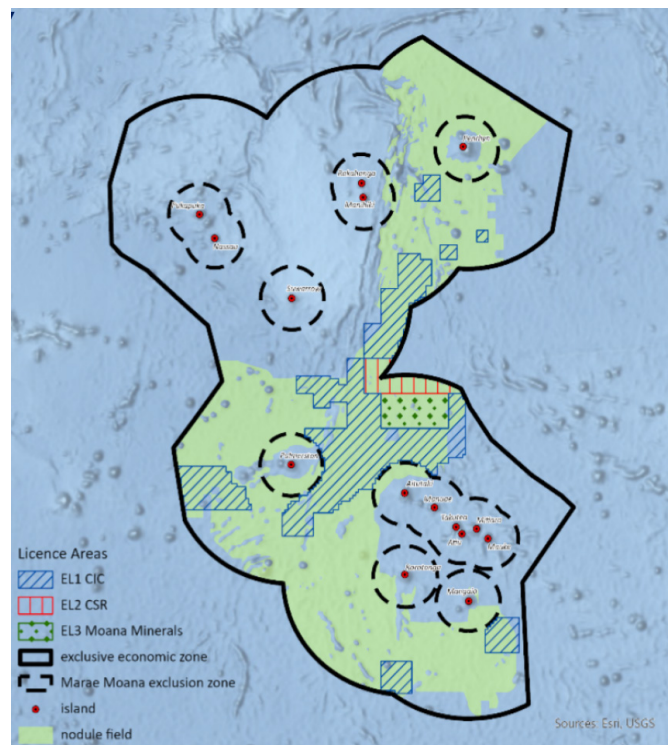
In addition, the Cook Islands passed its Marae Moana legislation in 2017 which established exclusion zones and prohibits SBM activities within 50 nautical miles of its 15 islands.

## The changing tide

The threat posed by climate change and subsequent shift towards a greener carbon free society meant that the demand for minerals was expected to increase dramatically.

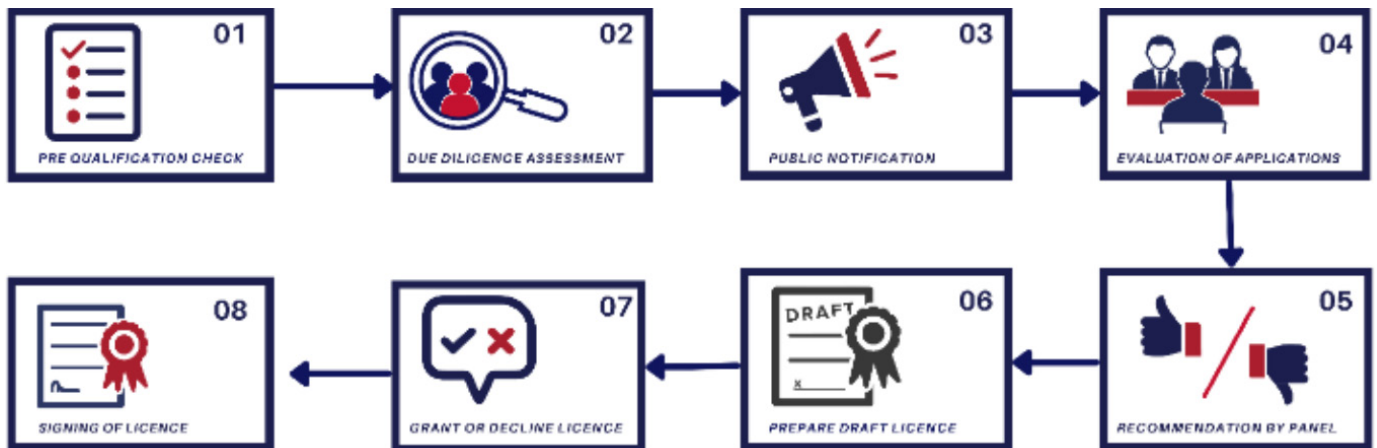
The World Bank noted in a 2020 paper that the demand for minerals to help build clean energy technologies is expected to rise substantially up to 2050 with a nearly 500% increase in demand for certain minerals such as lithium, graphite, and importantly for the Cook Islands, cobalt. Technology also moved on, with equipment that can operate in deep ocean environments becoming more common place.

These factors generated interest in our SBM resources resulting in the 2020 tender receiving four applications for exploration licences.



Map of the Cook Islands EEZ, including islands, estimated nodule fields, exploration licence areas and Marae Moana exclusion zones.





## Exploration licensing process steps

It was imperative to the Cook Islands that only the most suitable applicants be granted licences to undertake exploration in our waters. To help ensure this occurred the licensing process consisted of the following five main stages:

- 1. Due diligence assessment by the Authority** against a set qualifying criteria. This took four months, and only three of the four applicants met the criteria to advance to the next stage. The Authority contracted an international due diligence firm to assist with its assessment.
- 2. Public notification**, extensive information about the applicants and their applications were provided to the public (including in Cook Islands' Maori), who were given the opportunity to make submissions on the applications.
- 3. Consultation with Crown agencies** on the applications, and in particular with the National Environment Service on the need for any specific licence conditions relating to the protection of the marine environment.
- 4. Evaluation of the applications by an expert Licensing Panel** taking into account the Authority's assessment, public submissions, and consultation with Crown agencies. Following over three weeks of evaluation the Licensing Panel recommended to the Minister that the three remaining applicants be granted exploration licences.
- 5. Final consideration by the Minister and Cabinet.** The Minister agreed with the Licensing Panel's recommendations and Cabinet gave the final approval for the Licences to be granted.

## After a 16-month long process, the first exploration licences are granted

In February 2022, the Cook Islands granted its first ever seabed minerals exploration licences. This was an historic occasion for the Cook Islands marking our first real steps towards the development of our SBM resources.

Over the next 5 years, nearly \$200 million will be spent on exploration work plans by the three licence holders in their licensed areas – work which will dramatically improve our knowledge and understanding of our deep ocean

## Minerals harvesting still to be decided

The Cook Islands have not made a decision regarding whether we will allow the commercial development of our Seabed Mineral Resources to go ahead. Nobody wants to see serious harm caused to our ocean, least of all the people and Government of the Cook Islands. Our ocean, our Moana Nui o Kiva is the lifeblood of the Cook Islands, it sustains us, and it is part of our identity and our culture. This is why the precautionary approach is enshrined in our legislation as a principle that must be adhered to along with the protection of the marine environment.

We need to be well informed before we make any decision about the future of our SBM resources.

## Knowledge is power

The Cook Islands has only just embarked on the 5 year exploration phase of the sectors development. Arguably, this is the most important phase because it will provide us with the information we need to make evidence-based decisions about whether we can sustainably develop and manage our SBM resources for the benefit of our people and future generations.

Marine scientific research is needed to help us better understand: our deep sea environment, the potential impacts of developing the sector, and whether they can be mitigated to ensure that no serious harm to the environment occurs



## Bringing our people along the journey

Throughout the development of our SBM sector, the Cook Islands government has consulted with our people. The Authority has visited all of the 13 inhabited islands of the Cook Islands, and the broad consensus is that our people support the Government's efforts to explore our SBM resource, provided it is done in a responsible and sustainable manner and taking a precautionary approach. Further, the Cook Islands established an SBM Advisory Committee made up of community leaders to ensure that the Cook Islands people's voices are taken into account in the development of the SBM sector.

## It takes a village

The Cook Islands has not been alone on this journey. We understood early on that in order to ensure that we have robust policies, regulatory frameworks, and processes in place we needed to draw on the expertise and support of our national and international partners which includes:

- Australian Government
- Commonwealth Scientific and Industrial Research Organisation
- Commonwealth Secretariat
- Geoscience Australia
- International Seabed Authority
- National Institute of Water and Atmospheric Research
- National Oceanography Centre
- Natural History Museum
- New Zealand Government
- New Zealand Environmental Protection Agency
- Pacific Community
- United Nations Department of Economic and Social Affairs

The Cook Islands will continue to build on these existing partnerships, along with developing new partnerships.

## Moratorium calls are not the answer to the sustainable development of seabed minerals

The seabed minerals sector faces scrutiny regarding its potential impact on the environment. Recently, this has led to various calls for a moratorium to be imposed on the industry. Generally, the reason for the moratorium is that more information is needed to better understand the potential effects of harvesting on the deep sea environment and how they can be mitigated. The Cook Islands agrees that more information is needed before decisions can be made about whether harvesting should occur, but it does not believe that the various moratorium proposals provide the means to achieve it.

The Cook Islands' concerns about the calls for a moratorium are that they are often unclear about which activities will be affected, ambiguous about the jurisdictions they apply to, and set arbitrary timeframes which are not linked to solving the problem identified, which is the need for more information about the potential environmental impacts and how they can be mitigated.

Further, the moratorium calls do not address how research on the marine environment and management measures can be undertaken in any practical way. The Cook Islands' view is that in order to be able to make informed decisions, exploration research activities should be allowed, and encouraged to continue. Only then can we make decisions about this industry's future and understand what is needed to develop a sustainable, science-based, and well regulated seabed minerals sector.



# Abbreviated timeline of Cook Islands Seabed Minerals Journey

Year	Milestone	Comments
2009	Seabed Minerals Act 2009 passed	Bipartisan support in Parliament. Advice sought from Commonwealth Secretariat
2013	Cook Islands Seabed Minerals Authority established	
2015	Seabed Minerals (Exploration) Regulations 2015 passed	
	2015 tender for exploration licences opened	No formal submission of applications received
2016	Cook Islands becomes Sponsoring State in the Area	
2018	Minister puts Seabed Minerals Activities on hold to allow laws to be developed; establishes SBM Working Group comprising of government agencies	Purpose for Government to review its legislative frameworks and processes
2019	Seabed Minerals Act 2019 passed	Extensive policy review and consultations undertaken before replacing the 2009 Act
2020	<b>March</b> – Authority Facebook page launched	
	<b>June</b> – Amendment to SBM Act	Amendments intended to ensure Act fit for purpose ahead of opening exploration licensing
	<b>September</b> – SBM Advisory Committee established	
	<b>October</b> – Seabed Minerals (Exploration) Regulations 2020 and Seabed Minerals (Exploration Fees) Regulations 2020 passed	2015 Exploration Regulations were replaced
	<b>October</b> – Minister opens Cook Islands EEZ for Exploration through licensing process (LP)	
2021	<b>January</b> – LP: 4 Applications received	
	<b>Jan-Mar</b> – Government Pa Enea consultations	Carried out on islands of Palmerston, Nassau, Pukapuka, Manihiki, and Rakahanga
	<b>Feb-Mar</b> – LP: Pre-Qualification Check	Carried out by the Authority
	<b>Mar</b> – Amendment to SBM Act	To ensure that applicants are Cook Islands companies
	<b>Apr-Jun</b> – Government Pa Enea consultations	Carried out on islands of Mitiaro, Atiu and Mauke
	<b>July</b> – Cook Islands host environmental workshop	Hosted along with ISA and UNDESA
	<b>Jul-Nov</b> – LP: Due Diligence Assessment	Contracted Australian due diligence firm. One applicant does not meet the criteria, and application is denied.
	<b>September</b> – Government Pa Enea consultations	Carried out on islands of Mangaia and Penryhn
	<b>Nov-Dec</b> – Public Notification	Released details of 3 Applicants for public comment
	<b>December</b> – Licensing Panel evaluate applications and recommend to approve three applications	
	<b>December</b> – Minister and Cabinet give approval	Cabinet reviewed recommendations and draft licences and gave approval
	2022	<b>February</b> – Licence Granting Ceremony
<b>July</b> – First expedition commences		