

Seabed profits to be safeguarded

FOR THE Cook Islands to continue to develop and prosper as a nation, it is important to vary our economic activities.

Since opening on September 13, the SBM Authority has focused on two main priorities – preparing for the formal commencement of the Seabed Minerals Act 2009 on March 1 2013 and communicating the status and plans of the national seabed minerals (SBM) sector to local and international parties.

The vision for the steady and informed development of our national SBM sector has been led by the Cook Islands Government under the direction of the Minister responsible for Natural Resources and Minerals, Hon. Tom Marsters.

Minister Marsters and his colleagues' strong desire has been for the Cook Islands to continue to develop and prosper as a leading Pacific nation, as shown in our national commitment and leadership at the Pacific Forum held here in August, that we see ourselves as a 'Large Ocean State' rising to the 'Pacific Challenge'.

To develop and prosper as a nation, we in the Cook Islands need to continue to diversify our economic opportunities that we are blessed with and are able to wisely develop without harming the benefits that we currently enjoy, such as from tourism, black pearls and the off-shore sector.

The new seabed minerals sector, that the Cook Islands is cautiously developing, seeks to derive

The minerals report:

Seabed Minerals Commissioner Paul Lynch outlines his plan to keep profits from mining in a national fund that largely cannot be touched by the government of the day. This plan is contained in the first of three reports in a series of updates about the Cook Islands Seabed Minerals Authority (SBM Authority) and its work towards exploring and extracting the country's vast manganese nodules deposits.

new and sustainable economic benefits for the country from the unique and abundant manganese nodules mineral resource found deep in the waters of our vast Exclusive Economic Zone (EEZ).

National prosperity is not something to be feared and avoided, but rather to be managed well as a wise steward, as the Bible declares in Psalms 35:27, "the Lord takes pleasure in the prosperity of His servant".

But the caution from Minister Marsters is also that our future national economic betterment from our seabed minerals sector must also be aligned with achieving the best social and environmental outcomes for the Cook Islands people for this and future generations. The minister asserts that we "do this right" –

"kia mako te au mea karoatoa".

The first premier of the Cook Islands in the 1960's, Albert Henry, is known to have said when talking about national development issues: "Auraka te ai tangata i runga i te vaka kia akarukena, that "no-one in the tribe gets left behind".

This sentiment has been shared by our past and current political leaders from both sides of the House of Parliament, who supported the passing of the Seabed Minerals Act 2009 in a truly unique and bipartisan approach, based on community consultation and support.

For this reason, there are two key focus areas for the current preparatory work of the Seabed Minerals Authority, which we will be bringing to our community for discussion.

These are the responsible financial management of future SBM revenues and environmental management of future SBM activities in our EEZ, based on the best international standards and processes.

Financial management:

Regulations for the SBM sector are currently being prepared based on the best international model. The International Monetary Fund and World Bank recommend the creation of a "Sovereign Wealth Fund", which I like to call "the fund for the future".

Future revenues from the SBM sector will be sensibly stored in this national fund to be man-

aged by MFEM and only a percentage will be available each year for each Government's annual budgetary needs.

Environmental management:

Regulations for the SBM sector are currently being developed, based on the highest international environmental standards. It has to be accepted that all human developmental activities have some impact on the world we live in. For example, we happily live in homes on land that was cleared from its natural state.

We also all now benefit from the use of smart hi-tech devices, which depend on the continual global extraction and use of minerals and rare earth metals.

So the big issue then is how to minimise and take precautions to limit the impacts of our development activities on our precious environment, while also benefiting from the resources we have been blessed with.

Our SBM environmental regulations are being drafted with help from the regional SPC/EU DSM project and are based on a sensible and balanced interpretation of the guiding Precautionary Principle, expressed in the 1992 Rio Declaration.

■ Paul Lynch

Paul Lynch will also be providing further Seabed Minerals reports on licences and capacity building, and on partnerships and monitoring.