

OFFICE OF THE PRIME MINISTER HON MARK BROWN

GOVERNMENT OF THE COOK ISLANDS

Honourable Mark Brown address at the virtual Cobalt Conference 2021: Cook Islands seabed minerals

18 MAY 2021

Kia Orana, and warm greetings from the Government and people of the Cook Islands.

Let me first say how delighted I am to have the opportunity to address this Cobalt Conference 2021, and in particular the theme of cobalt supply and the contribution it can make towards leading our planet down a more sustainable path for the benefit of current and future generations.

For those of you not familiar with the Cook Islands – we are a Polynesian people, made up of 15 islands located in the heart of the South Pacific, some three thousand miles south of Hawaii. Tourism has always been our biggest income earner with over 160,000 visitors a year enjoying our natural beauty and culture of our islands compared to our population of only 15,000.

On that note, let me open Session 2 with a Tourism Cook Islands video, which captures the essence of the Cook Islands.

Now that you have had an introduction to the Cook Islands – I turn now to the topic at hand.

Vulnerability, this is a term I normally associate with the perils of climate change, particularly the threat it presents to our Pacific Island communities and our way of life.

Today, I see the term vulnerability regularly used by governments and societies in connection with mineral supply chains.

There is a degree of irony that its two separate uses are in fact inextricably linked, we need a stable and responsible supply of minerals to help achieve the global drive toward a low-carbon society.

We acknowledge cobalt's strategic significance to advancing the world through an unprecedented energy transition that is critical to putting us on the pathway toward a greener and more sustainable society.

At a time when the world is searching for sustainable solutions to the challenges of today and tomorrow, the Cook Islands, I am proud to say, has an opportunity to play a significant role in not only in transforming our future, but also contributing to global transformation through access to strategic metals critical to the global energy transition.

Today, I would like to share with you our vision as a strategic partner in this transition, and our journey to date.

Our ocean, our lifeblood

Our ocean, what we call our *Moana Nui o Kiva*, is the lifeblood of the Cook Islands. It sustains us. It provides us with a source of food and income. It is part of our identity.

We are a people of the ocean. We care for the ocean. And we take its management very seriously.

In this year 2021, we continue to live in unprecedented times, and face multiple challenges as a country and as an international community – from the COVID 19 pandemic we are currently experiencing, the pervasive threat of climate change, and the pressures on our limited natural resources. We must address the challenges of today, while ensuring that we care for the needs of future generations.

We are blessed to remain COVID-free in our country. However, the pandemic has highlighted the Cook Islands economic vulnerability and over-reliance on our tourism industry.

We face serious challenges ahead, and our ocean provides us with the opportunity to further diversify our economy and deliver to our people much-needed socio-economic security and development.

We are fortunate to be a large ocean state with an Exclusive Economic Zone of some 2 million square kilometers. Indeed, with a land mass of only some 240 square kilometers spread across 15 islands it is inevitable that we look to our ocean for solutions to our survival and options to diversify our economy.

Forty years of ocean survey work suggests as much as 12 billion tonnes of mineral rich polymetallic nodules containing cobalt, nickel, copper, manganese and titanium, are spread across about 750,000 square kilometres of the Cook Islands seafloor.

Estimates of the cobalt reserves of these nodules is in the region of 21 million tonnes.

That is a significant number when you consider that in 2020, the global cobalt production was about 140 thousand tonnes.

This resource offers a potentially significant opportunity for the long-term sustainable development of the Cook Islands as well as contributing towards our universal goal of reducing global warming.

Climate change and the green transition

Climate change is an existential crisis facing the world. For the Cook Islands, as an island nation, we are particularly at risk. It will be costly for our country to build resilient infrastructure, to protect our vulnerable and isolated communities, and to adapt to and mitigate against the worst effects of climate change. We must take action to protect our Islands and our people.

Under our National Sustainable Development Plan, we strengthened our commitment towards renewable energy and to meeting our in-country climate change obligations.

We have set goals of achieving 100% renewable energy generation in all islands by 2025, and a zero emissions target for our islands by 2040. Our investment plans currently focus on designing and installing mini-grid solar electric systems utilising battery storage technology.

My personal vision is to see Cook Islands-sourced metals contributing to the development of our renewable energy sector, including solar and wind power.

Tackling climate change is not something we can achieve by ourselves, it requires a concerted global effort. Through the Paris Agreement it was agreed to target limiting global warming to well below 2°C, preferably to 1.5°, compared to pre-industrial levels. As a result, there is a major shift globally towards societal transformation and a low-carbon economy based on renewable energy and technology.

In order to achieve this, the World Bank estimates that more than 3 billion tonnes of minerals and metals will be needed by 2050. The demand for cobalt alone is predicted to increase by nearly 500% to meet the growing demand for clean energy. However, as we have seen in recent statements from some prominent car manufacturers, demand is also linked to how responsibly the resource is obtained.

Indeed, at this point in world history, climate change and the sustainable and responsible sourcing of strategic metals are inextricably linked.

Many of the minerals vital for the transition to a low-carbon economy can be found in the deep ocean. Our Cook Islands seabed contains high concentrations of nodules made up of these minerals, particularly cobalt.

Now, a number of people and organisations have voiced deep concerns about the potential for environmental and social harm from deep-sea mineral harvesting. I share these concerns. I do not see these as dissenting voices, their concerns are legitimate. They keep us accountable and at times provide solutions to the way we do things.

We must also look beyond just deep-sea mining and take a more holistic view of how we use our planetary resources as a whole.

Our seabed minerals journey

I would like to share a little on the Cook Islands seabed minerals journey, which spans some decades since the discovery of nodules in our waters back in the 1970s. We have always held an interest in these minerals and the deep sea.

In 2016, we took a tangible step towards deep-sea exploration when the International Seabed Authority awarded the Cook Islands Investment Corporation an Exploration Licence – to explore for polymetallic nodules in international waters. An area known as the Clarion-Clipperton Fracture Zone.

We are working with our international technology partner, Global Sea Mineral Resources, to progress our knowledge of the resource and its environment.

We are encouraged by the pioneering engineering work being conducted by GSR with its current trials at water depths of 4,500 m of Patania II — GSR's purpose-built prototype nodule collector.

We are proud that a Cook Islander is a part of this expedition, and I personally look forward to being debriefed on the results and learnings from this trial on his return.

In October 2020, the Cook Islands opened a licensing process for exploration of polymetallic nodules within our EEZ. This was a watershed moment for our country as it signalled our foray into deep-sea exploration of our waters – under the careful regulation and management of the Cook Islands Seabed Minerals Authority. We received a number of licence applications and are currently processing them.

In embarking on this journey, we needed to have the right governance structures and mechanisms in place to make sure that seabed activities undertaken in our waters are environmentally sustainable and responsible.

Our commitment to ocean governance

We are building a seabed minerals sector based on best principles and practices, supported by a robust legal framework.

The protection of our ocean environment is crucial to the Cook Islands survival and the health and welfare of our people. In this respect – strong environmental management and regulation is a core focus of the development of the seabed minerals sector.

We will proceed with a precautionary approach, taking decisions based on the best available science, to manage our seabed minerals resources and protect our marine biodiversity. We will continue to foster strong ocean governance to both protect and ensure the sustainability of our ocean resources.

The Cook Islands has one of the world's largest multi-use marine parks which we call our "Marae Moana". It covers our entire EEZ, and became a reality in July 2017. Our Marae Moana provides an overarching mechanism for ocean governance, and a platform to strike the necessary balance between marine protection and resource use.

This is embodied in the principle of ecologically sustainable use. It remains for us the key guiding instrument as we chart our path towards meeting the sustainable development goals and aspirations of our country.

We are at the forefront in the conservation and sustainable use of our oceans. This reflects the fundamental importance we give to the sustainable use of our marine

resources. This includes our seabed mineral resource where we again are at the forefront of developing a comprehensive legal framework to support the development of a sustainable industry, and the promotion of good governance.

That being said, I wish to re-iterate the position of my Government – and the laws we have put in place – we will not entertain any activity in our ocean that will cause serious and irreparable harm to our marine environment.

At the international level, as a member State of the International Seabed Authority and at the same time a sponsoring State of exploration activities in the international seabed area, the Cook Islands shares the core goals of the Authority, to put in place robust legal frameworks and good governance mechanisms, together with the most rigorous standards for the conduct of exploration and future deep sea mining activities that puts the protection of the marine environment at the front and centre.

When extracted in an environmentally responsible manner, metals found in our nodules such as nickel, copper, manganese and cobalt, can help secure the prosperity of current and future generations of Cook Islanders.

Exploration Research phase

Exploration research is fundamental to understanding our deep-sea environment, the nodule resource, and particularly any impacts potential future recovery operations may have on the deep-sea environment. Exploration is also critical to advancing our knowledge of marine biodiversity and ecological processes. That knowledge by itself represents an invaluable contribution not only to our Marae Moana objectives, but also to

humankind in this United Nations Decade of Ocean Science for Sustainable Development.

Having reviewed the Exploration licensing process – I am proud of what we have set up, and I am confident that we have a rigorous and robust process in place to ensure that only the most suitable applicants are successful.

As I said before, environmental protection is a core focus in developing this sector. As such, the licensing process we have developed sets high expectations for any potential applicants wishing to operate in our waters, with environmental sustainability at the forefront.

In addition, we are prioritising the training and employment of Cook Islanders, so we are building, and most importantly, retaining our long-term capacity in our country. This sector will see the creation of new job opportunities and possible careers for Cook Islanders, for instance such as geologists, marine engineers, and crew for research vessels.

Our licensing process supports this by favouring applications that offer capacity development to Cook Islanders; that engage with our Cook Islands community; and that purchase goods and services from our local businesses.

This investment in our people and communities as well as the revenues generated by our seabed minerals sector have the potential to build the necessary economic reliance and resilience our country needs.

To be clear, this is not a process that happened overnight. It has taken many years, hard work by many people, and exhaustive consultations with stakeholders, including our

traditional and religious leaders, civil society, and most importantly our communities, our people.

I would also like to acknowledge the invaluable support we have received from international organisations such as the International Seabed Authority and the Commonwealth Secretariat as well as our regional development partners New Zealand, Australia and the United States. Without their support, we would not have been able to make the progress that we have had and we look forward to a continued positive, constructive working relationship with our key partners as we continue on our journey toward the sustainable and responsible development of our seabed mineral resource.

Closing

In closing, I would like to take this opportunity to express my appreciation to the Cobalt Institute for its continued mission to put in place the tools and frameworks required to foster best practice responsible cobalt production and sourcing.

We have a unique window of opportunity to put in place the necessary regulatory and governance frameworks before any harvesting of deep sea minerals begin, and I look forward to our collective contribution to that.

Globally we are committed to eliminating our reliance on fossil fuels but we need to expend other resources to achieve this. My government and I are steadfast in playing our part to facilitate this transition.

The path to a true sustainability is not easy, and there may be some bumps along the way. Yet, if we are able to demonstrate that seabed minerals can be harvested responsibly and sustainably, and contribute materially to the global shift toward greener

technologies, and the future prosperity of our society then, we have a duty to investigate the seabed minerals sector.

God bless you all and Kia Manuia

Word count: 2369

Enquiries to Alex Herman: <u>alex.herman@cookislands.gov.ck</u>

11