REPUBLIC OF NAURU

Input to concept paper for Ocean Action Panel 10

In response to the invitation of the Secretary-General of the 2025 UN Ocean Conference dated 18 September 2024 to submit inputs to the concept papers, the Republic of Nauru requests that the following comments be incorporated into the concept paper for Ocean Action Panel 10.

First, the Republic of Nauru wishes to convey its sincere gratitude to the Co-chairs Costa Rica and France for their continuing leadership in ensuring the success of the 2025 United Nations Ocean Conference. Nauru stands ready to support this important work going forward and to advancing the effective implementation of Sustainable Development Goal 14 (Goal 14).

Like many others, Nauru's dedication to achieving Goal 14 stems from our deep dependence on the ocean for daily sustenance, well-being, livelihoods and sustainable development for our current and future generations. Nauru emphasizes that ocean conservation and sustainable development must advance hand-in-hand. While protecting marine and coastal ecosystems, including deep-sea environments, is vital, these conservation measures must be harmonised with opportunities for sustainable economic growth.

We also emphasise that we must remain grounded in the rights and obligations reflected in the United Nations Convention on the Law of the Sea (UNCLOS) to ensure an equitable and just approach to the sustainable use of the ocean and its resources; to ensure appropriate safeguards for marine environmental protection, and to safeguard the rights afforded by UNCLOS to developing states such as Nauru that are at risk from a small minority that seek to curtail the effective implementation of such rights.

Challenges faced by small island developing States

As a small island developing state, Nauru faces significant and unique sustainable development challenges due to its small size, limited natural resources, particular vulnerability to the adverse impacts of climate change, and over-dependence on imports. These challenges have been recognised time and time again by the international community.

Moreover, the pre-existing challenges we face have been exacerbated by the clear and present danger posed by climate change and the drastic action required. As an island nation we are already heavily impacted by rising seas together with increased frequency

of periods of freshwater shortages - making water resource security and management particularly challenging with desalination requiring significant energy. These factors create a complex cycle and present difficulties in long-term planning for smaller countries.

Our vulnerability is real despite our negligible contribution to low carbon emissions. Not meeting internationally agreed upon climate targets and objects, pose real and immediate threats to countries like Nauru's ability to survive. We cannot continue business as usual. We need the international community to move towards a just and accelerated clean energy transition.

We are presented with a vital technology shift to achieve this transition and the associated requirement for significant quantities of mineral raw materials. Yet, there exists fundamental challenges in the global raw material supply chains.

Risks in the critical metals supply chain

The UN Secretary-General's Panel on Critical Energy Transition Minerals [1] highlights projections made by the International Energy Agency that the demand for critical energy transition minerals to power the global energy transition will triple by 2030, and quadruple by 2040. The supply challenge is even more daunting if the Paris Agreement and net zero emissions are to be met by 2050.

The report also highlights the challenges accompanying this transition in a land-based environment. These include human rights abuses, including child labour, degradation of the environment (impacts on air and water quality, continued pressures on biodiversity hotspots) and conflict. We believe that this is an unacceptable legacy for future generations.

Equally, our global transition and vulnerability to climate change is inextricably linked to our vulnerability to metal supply chain risk. As highlighted succinctly by McKinsey & Company in 2023, [2] how quickly the world can reduce carbon emissions will largely depend on whether global supply chains can provide enough raw materials to meet the rapidly growing demand. Furthermore, critical material shortages would create a double challenge for decarbonisation if not addressed. First, they would directly slow the transition to clean energy by making necessary raw materials scarce - customers simply would not be able to get the components they need for low-carbon technologies. Second, when raw materials are scarce, their prices spike and fluctuate wildly, driving up the costs of clean technologies. These higher costs would further discourage adoption, creating a negative feedback loop that delays the shift away from carbon-intensive systems. This

[1] UN Secretary-General's Panel on Critical Energy Transition Minerals, Resourcing the Energy Transition Principles to Guide Critical Energy Transition Minerals Towards Equity and Justice, 11 September 2024.
[2] McKinsey & Company, The net-zero materials transition: Implications for global supply chains, July 2023.

would continue to exacerbate the problems faced by small island developing states such as Nauru.

The terrestrial supply risk is steeped in geological, geopolitical, geographical and governance challenges, current and historical. In a land-based context, not all mineral reserves are technically or economically extractable with declining ore grades, and a foreseeable increase in global energy requirements to extract them.

There is a circular solution – the reuse, recycling and repurposing of these metals - but this is unlikely to provide a solution to our medium-term metal demands, albeit as a concept momentum is increasing.

The policies relating to activities in the Area under article 150 of UNCLOS, capture the very essence of addressing metal supply chain risks by making minerals from the Area more available, alongside minerals from other sources, to ensure reliable supply to consumers as well as the promotion of just and stable prices.

Opportunity for the critical energy transition minerals supply chain

The sustainable use of our oceans must include the responsible recovery and extraction of critical energy transition metals, including nickel, copper, cobalt and manganese housed in polymetallic nodules and other marine minerals. Manganese nodules are strategically and economically valuable because they contain high concentrations of these critical metals combined in a single ore - a characteristic that distinguishes them from land-based deposits where these metals typically occur separately. We consider the recovery of these nodules from the ocean floor a critical mix to ensure critical metal supply chain security, reducing our dependence on geopolitically sensitive terrestrial resources, in aiding our global transition to clean energy sources and creating the foundations for a circular economy as well as provide other economic and social benefits.

Seabed mineral recovery also offers the potential to lower the environmental surface footprint compared to terrestrial mining, reduced deforestation and land degradation, as well as lessening impacts on vulnerable communities and individuals. Studies have demonstrated that deep-sea mineral recovery can alleviate some of the pressures on fragile terrestrial ecosystems where mining currently occurs, including in some of the planet's most biodiverse places and relieve the often-devastating impacts on human communities and lives.

Nauru considers the implementation of common heritage of humankind principle, and the development of the Area and its mineral resources in accordance with the requirements of the UNCLOS as a timely contributor toward Goal 14.

A moratorium or ban on seabed mineral recovery could slow the transition away from fossil fuels

As a global community we recognise the urgency of decarbonisation. Yet the largest risk presented to us today is one of inaction due to the unrealistic expectations of some who

are seeking complete certainty, which is impossible, not realistic and would ensure the benefits of nodules are not realised. This inaction is inherent through calls for a moratorium or a ban on seabed mineral recovery and a continued one-sided debate which does not consider a planetary perspective and runs counter to global societal interests.

Nauru considers that a moratorium or ban on seabed mineral recovery would hinder technological progress, economic development, and at this juncture our urgent need to transition to clean energy. Indeed, without consideration of seabed minerals to fortify existing supply chains, our clean energy transition may be significantly delayed or derailed. Equally, there must be an informed discussion on global societal interests to include consideration and endorsement of those critical metal supply chains that have the lowest environmental and social impact on the planet and humankind.

Consequently, Nauru cannot support proposals for blanket moratoriums or bans on seabed mineral recovery that fail to account for the crucial balance between conservation and sustainable resource utilisation. Our approach must be guided by the best available science-based management that safeguards both marine ecosystems and the livelihoods of our communities.

A complete moratorium could also prevent the development of better recovery technologies and understanding of deep-sea ecosystems through careful and responsible exploitation.

Affirming the role of science

Nauru strongly affirms the fundamental role of scientific research and evidence-based decision-making in understanding and protecting our ocean ecosystems, including the exploitation of seabed mineral resources in the international seabed area.

Nauru commends the tireless work of marine scientists and researchers whose dedication continues to deepen our understanding of ocean processes and health. Their rigorous research provides the essential foundation for developing balanced approaches to ocean management. Building upon this extensive body of scientific knowledge, accumulated over decades of careful study, enables us to craft more targeted and effective solutions that harmonise conservation imperatives with sustainable development needs. This best available science-based approach is crucial for addressing the complex challenges facing our ocean while ensuring evidence-based policies that serve both environmental and socio-economic objectives.

Nauru has led the sponsorship of exploration activities through Nauru Ocean Resources, Inc in the international seabed area since 2012 in accordance with the UNCLOS and under the stewardship of the International Seabed Authority (ISA) and Nauru's dedicated regulator, the Nauru Seabed Minerals Authority. This exploration programme has resulted in the collection of vast quantities of technical and environmental data and combined with the work of other deep-sea exploration contractors has significantly expanded our

knowledge of deep ocean environments and notable contributions to the sustainable development goals through the advancement of deep-sea research and marine science.[3]

This has been achieved through the diligent efforts of some of the world's leading technical and scientific experts to ensure that the future recovery of polymetallic nodules is executed in a sustainable and responsible manner. Considering this, Nauru believes the emerging science supports seabed minerals recovery to help put us on an accelerated path to decarbonise our planet.

Additionally, Nauru would also highlight the dangers of the politization of marine scientific research and the need for a collective and properly informed science-based view of addressing the environmental impacts of polymetallic nodule recovery. Such politization was evident following the purported discovery of "dark oxygen" production at the abyssal seafloor. While such discovery has been the subject of multiple rebuttals, its initial propagation through social media and other platforms has been misleading and contributed unnecessarily and unfairly to calls for a moratorium.

Adoption of the draft regulations on exploitation of mineral resources in the Area in 2025

Nauru believes that carefully regulated seabed mineral development offers the best path forward for balancing environmental protection with resource needs and to this end calls upon all member States to continue to support the work of the ISA and complete the adoption of the regulatory text in 2025. In this regard, we must ensure the development of and compliance with robust environmental standards and that the development of a seabed minerals sector proceeds in a responsible, accountable and transparent manner, with the full participation of developing states.

Nauru considers it critical to further the work of the UN Secretary-General's Panel on Critical Energy Transition Minerals to better understand the dynamics of the global metals supply chain and its inherent risks to the delivery of our net-zero ambitions and calls for consideration of the Panel's guiding principles in assessing responsible mineral supply chains, including that of seabed mineral resources.

Concluding remarks

Working together across nations is vital to ensure everyone can access cleaner energy fairly and affordably. This collaboration is also crucial for sustainably managing the mineral resources needed for this transition of which marine mineral resources must form a part to ensure stable and resilient critical energy transition mineral supply chains.

We must also ensure that the rule of law is upheld, and that the rights afforded to small island developing nations under UNCLOS are not infringed by a moratorium or ban on seabed mineral recovery.

[3] ISA, Contribution of ISA to the 2030 Agenda for Sustainable Development, 22 November 2021.

Nauru approves that the full text of this submission may be published on the conference website at: https://sdgs.un.org/conferences/ocean2025/documentation.