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Title of Paper:

**Environmental Assessment in Nigeria
towards Achieving the UN Sustainable
Development Goals in the Country**

PRESENTER: **Dr. Edward T. Bristol-Alagbariya
Associate Dean, Faculty of Law, UNIPORT**

Introductory Background

- This paper attempts to demonstrate how Environmental Assessment (**EA**), especially life-cycle EA of petroleum dev projects, in Nigeria can promote the objectives of EA to achieve Good Environmental Governance (**GEG**), Sustainable Development (**SD**) & thus the UN SDGoals (**UNSDGs**), particularly Goals 13 & 17 of these Goals (respectively captioned 'Climate Action' & 'Partnerships for the Goals')

Introductory Background

- The paper is basically divided into the following FIVE aspects:
- (i) Environmental Assessment (**EA**)
- (ii) EA as a key tool for **GEG** & to achieve **SD** & thus the **UNSDGs**
- (iii) The Leading Role of Extractive Industries in **EA**/Impact Assessment (**IA**)
- (iv) International SD-Oriented Efforts & the Key Roles of Govts & Multinational Petroleum (Oil & Gas Companies [**MNOC**])
- (v) Concluding Remarks

Introductory Background

- (iv) International SD-Oriented Efforts & the Role of Govts & MNOCs consider EA of petroleum dev projects & the UNSDGs, which generates a spotlight on Global & other International SD-Oriented Efforts & the Key Role of Govs & MNOCs
- The eggs to be discussed are the ♣ Global Extractive Industries Sector's regulatory mechanisms; the ♣ World Business Council for Sustainable Dev (WBCSD); the ♣ UN Global Compact; ♣ Sustainable Energy for All (SEforALL); the ♣ UN SRJR Process (i.e., UN Stockholm, Rio de Janeiro, Johannesburg & Rio de Janeiro Conferences on the Environment & Dev & their ongoing processes designed to achieve SD); & the ♣ International Finance Corporation (IFC) Sustainability Framework eg, Performance Standards on Environmental & Social Sustainability

- The need for proper management of adverse effects of dev proposals, by protecting the environment, conservation of natural resources & overall nature, generated various national & international approaches
- These approaches include environmental & developmental policies, laws, regulations, guidelines & standards, involving the use of specific environmental management tools, processes & practices, **one of which is EA**

- Environmental Impact Assessment (EIA), also referred to as dev project-level EA, is a form of EA
- EA, which may be used interchangeably with EIA, regulates the **adverse effects** of dev proposals on the **environment & society at large**, towards GEG, achievement of SD & thus the UNSDGs
- EIA is the oldest & most well established form of EA

Proper Management of Dev Projects: EA, GEG, SD & the UNSDGs

- Formal or statutory EIA started in the USA with the enactment of the US National Environmental Policy Act (**NEPA**) of 1969/1970
- From then, the concept & practice of formal EIA began to spread to other countries
- **Formal EIA commenced in Nigeria in 1992**, after the UN Conference on the Environment & Dev (UNCED – ‘The Rio Earth Summit’), in 1992, vide Principle 17 of the Rio Declaration on Environment & Dev, 1992, & promulgation of the EIA Decree No. 86 1992 (now EIA Act, 2004)

Proper Management of Dev Projects: EA, GEG, SD & the UNSDGs

- EIA is the systematic, reproducible, multi-disciplinary identification, prediction & evaluation, mitigation & management of impacts from a proposed dev & its reasonable & logical alternatives
- The **core objective** of EIA is to **MINIMISE** predicted adverse effects & **MAXIMISE** positive effects of proposed projects, so as to achieve GEG & SD, especially the UNSDGs
- EA/IA as a **tool for qualitative environment & social equity**, towards achieving SD & thus the UNSDGs
- EA is a key tool for SD, & this is more so with SEA, which is a higher-tier of EA

- SEA evolved in the 1980s as a systematic process for evaluating the environmental effects at **strategic levels of decision-making**: policies, plans & programmes, including projects (**PPPs**)
- SEA is a more suitable process for appraising lengthy (such as cumulative/life-cycle) project-level development proposals, including such other dev proposals which are cumulative, multiple projects, multi-criteria, multi-sectoral, trans-boundary & multinational or regional in nature

- Extractive Industries (**EIOs**): oil & gas & other mining & mineral resources industrial dev sectoral projects, **play significant leading roles in the dev & growth of EA/IA process & practice**
- **EIOs inhibit SD, BUT** they can be advantageous when they are  **implemented well** &   **preserve the rights of people** who are directly affected by these projects, &    **if the benefits they generate are well-used**

Proper Management of Dev Projects: EA, GEG, SD & the UNSDGs

- Efficient cumulative or life-cycle EIA process has the advantage of maximising benefits of EA process & practice of dev projects from **cradle** (conception) to **grave** (decommissioning & abandonment, involving environmental remediation & restoration of areas) of projects
- **Decommissioning** of petroleum & other EIO projects involves the **physical removal & disposal of obsolete installations** at the end of the life-span of dev projects, so as to **remediate & restore the natural environment of each project area to its near pre-project state**

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- Spotlight on International SD-Oriented Efforts & the Key Roles of Govts & MNOCs → egs
- the Global Extractive Industries Sector's Regulatory Mechanisms;
- World Business Council for Sustainable Development (WBCSD);
- the UN Global Compact;
- Sustainable Energy for All (SEforALL);
- the UN SRJR Process &
- the IFC Sustainability Framework eg, Performance Standards on Environmental & Social Sustainability

- The need for Nigeria & other resources-rich developing countries to exploit their abundant natural resources & vitalise other areas of their political economy, as they lacked ♣capital, ♣technology & ♣skilled manpower, including ♣managerial capabilities, make these countries to enter into economic dev agreements (**EDAs**) with foreign investors like Multinational Companies (**MNCs**)

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- In the course of petroleum dev, the EDAs entered into between Nigeria & foreign investors of Nigeria's petroleum dev operations (Multinational Oil & Gas Companies [**MNOCs**]) range from earlier ♣ **traditional concessions agreements (TCAs)** to ♣ **equity participation agreements** such as
 - ♣ Production Sharing Contracts (PSCs),
 - ♣ Service Contracts (RSCs) &
 - ♣ Joint Venture Agreements [JVAs]),
 - These are improvements on TCAs

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- To secure capital outside Nigeria, MNOCs approach International Finance Institutions such as the **IFC & other Equator Principles complaint Banks** as the Multilateral Investment Guarantee Agency (**MIGA**)
- These institutions have some SD-oriented international benchmarked policies, standards, guidelines, procedures, processes & practices associated with them investing in projects eg EIOs like petroleum (oil & gas) dev projects in resources-rich developing countries

♣ **MIGA** → Offers political risk insurance & credit enhancement guarantees to investors & lenders to help investors protect foreign investments

- The SD-oriented international benchmarked regulatory standards & practices associated with EIOs, particularly petroleum dev projects also include those of the (a) Global Extractive Industries Sector's regulatory mechanisms (b) World Business Council for SD (WBCSD), (c) UN Global Compact, & the (d) UN Stockholm, Rio de Janeiro, Johannesburg & Rio de Janeiro process (i.e., the UN SRJR process) on the environment & dev designed to achieve SD

- EIOs are generally governed by regulatory frameworks of the Global Extractive Industries Sector, with such key stakeholder-players as the **World Bank Group** (WBG that embarked on the WBG Extractive Industries Review [**EIR**] 2000/2004); the industry-driven **Mining, Minerals & SD** (MMSD) project 2000/2002; Global Mining & Minerals Sector organisations such as the **Global Mining Guidelines Group** Global (GMG), **Global Mining Sustainability** (the **Sustainable Mine of the Future**); & the **Global Mining Institute**

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- The **WBCSD**, with its headquarters in Geneva, Switzerland, was founded by a Swiss Entrepreneur, Stephan Schmidheiny, when he was appointed Chief Adviser for business & industry to the UN Secretary General during the UNCED, 1992
- It is a CEO-led organ of **about 200 of the world's forward-thinking international companies**, which are **connected to 60 national & regional business councils & partner organisations**, working together make business more successful & sustainable

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- It helps its member-companies to be more successful & sustainable, by focusing on the maximum positive impacts for ♣shareholders, the ♣ environment & ♣ societies
- Its vision is to build a world where Nine (9) billion people of the Planet Earth are living well by 2050
- It designed a science-based approach & targeted business solutions to address the impacts of business by aspiring to realise the UNSDGs through transformational programmes

- Although its membership cuts across several sectors of the global economy, which include the oil & gas sector, & spread over six continents (i.e., Europe (47%), Asia (24%), North America (21%), Latin America (5%), Middle East (2%) & Australia (1%), MNOCs operating in Africa, particularly Nigeria are NOT listed on the homepage of the WBCSD

- (b) **The UN Global Compact** (a fall-out of ongoing economic globalisation premised on the UN system), is the **world's largest corporate voluntary sustainability** initiative launched by the UN Secretary-General, in July 2000
- Based on the Global Compact, private sector (business) around the globe is **supporting the UN's effort towards SD**, so as to benefit Humanity, Communities & Markets around the world

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- Based on the Global Compact, companies are, at a minimum, required to strategically align with and operate in ways that **conform to fundamental responsibilities** premised on **Ten (10) Principles**, in the areas of ♣ **human rights**, ♣ **labour**, ♣ **environment** & ♣ **anti-corruption**, & thereby enable them **advance societal goals**, & thereby **upholding their basic responsibilities to humanity & the Planet Earth**, towards ensuring their long-term success, wherever they are operating around the globe

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- (d) Next is the **UN SRJR process**, which refers to the UN Conference on the Human Environment (**UNCHE**), held at Stockholm, in 1972 (following which the assembly of the world community took place in **Nairobi**, Kenya, from 10–18 May, 1982, when the UN Nairobi Declaration of 1982 was reached); the **UNCED**, held at Rio de Janeiro, in 1992; the World Summit on SD (**WSSD**), held at Johannesburg, in 2002; & the UN Conference on SD (**UNCSD**), held again in Rio de Janeiro, in 2012, **& their progressively ongoing processes**

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- The initiative of the UN Secretary-General for setting-up the **UN Global Compact**, efforts of the WCED, the UN Environment Programme (**UNEP**) & the Division for SD Goals (**DSDGs**) in the UN Department of Economic & Social Affairs (**UNDESA**), which acts as Secretariat for the UNSD Goals (UNSDGs) in the UN system, are remarkable in the context of the UN SRJR process & its progressively ongoing processes
- Fall-outs of the UN SRJR process & its ongoing processes are international benchmarked **soft law regulatory mechanisms** being implemented in **Nigeria & other member-states of the UN**

- (e) On the IFC Sustainability Framework eg, Performance Standards on Environmental & Social Sustainability, it may be stated that the IFC believes & operates on the premise that a strong private sector is indispensable to ♣ **ending extreme poverty** & ♣ **boosting shared prosperity**
- The IFC works with partners to establish principles for impact investing, to **help investors achieve positive impacts for society** alongside financial returns

International SD-Oriented Efforts & the Roles of Govts & MNOCs

- IFC's approach to sustainability is governed by its Sustainability Framework & Corporate Governance methodology, which are designed to help IFC clients ♣ improve their business performance, ♣ enhance transparency, ♣ engage with the people affected by projects it is financing & ♣ protect the environment, so as **to achieve greater positive dev impacts**
- IFC's Sustainability Framework articulates the Corporation's **strategic commitment to SD**, as an integral part of the IFC's approach to risk management

- Among other resources, the IFC Sustainability Framework comprises **Eight Performance Standards on Environmental & Social Sustainability**, which IFC clients are to comply with throughout the life of an investment associated with it
- These Performance Standards are namely **♣Performance Standard 1** (on **Assessment & Management of Environmental & Social Risks & Impacts**);

- ♣ Performance Standard 2 (on Labour & Working Conditions);
- ♣ Performance Standard 3 (on Resource Efficiency & Pollution Prevention);
- ♣ Performance Standard 4 (on Community Health, Safety & Security);
- ♣ Performance Standard 5 (on Land Acquisition & Involuntary Resettlement [including Economic Displacements]);

- ♣ Performance Standard 6 (on Biodiversity Conservation & Sustainable Management of Living Natural Resources);
- ♣ Performance Standard 7 (on Indigenous Peoples [including Aboriginal Groups]; &
- ♣ Performance Standard 8 (Cultural Heritage)

- These Performance Standards, which apply to ALL IFC investments & advisory clients, define the responsibilities of IFC clients for **managing their environmental & social risks**
- These Performance Standards provide guidance on how to **identify risks & impacts**, & are designed to help **avoid, mitigate, & manage risks & impacts**, to enhance dev opportunities, as a way of doing business in a sustainable way

- Although the foregoing & other global & international soft law regulatory mechanisms are not compelling on countries like the hard laws of these countries, **they are governing EIOs** around the globe & thereby **positively transforming domestic LEGAL & INSTITUTIONAL frameworks & practices** of these states, in the ongoing era of SD

- These soft law mechanisms are **even increasingly having the compelling force & effects of hard laws in resources-rich developing countries**
- They are increasingly **transforming developmental PPPs** associated with the environment, towards good environmental governance (**GEG**), in resources-rich developing countries like Nigeria & thereby enhancing **GG & SD**, centred on **human wellbeing**, towards a **fairer, more just, sustainable & peaceful world** → See, **The Earth Charter Initiative** @ <https://earthcharter.org/>

Concluding Remarks

- So far, the foregoing global & other international **soft law regulatory mechanisms governing EIOs** around the globe could be described as **partnership efforts** of private & public sectors (enshrined in Goal 17 of the UNSDGs), to **promote the protection & improvement of the environment** in the course of EIOs, so as to **enhance SD** in global states

Concluding Remarks

- Thus, these regulatory mechanisms are enhancing achievement of the UNSDGs, especially Goals 13 & 17 of the UNSDGs, respectively captioned ‘Climate Action’ & ‘Partnerships for the Goals’, + Goal 7 of the SDGs, captioned ‘Affordable & Clean Energy: to ensure access to Affordable, Reliable, Sustainable & Modern Energy for ALL (SEforALL) around the globe

Concluding Remarks

- We **recommend** that Nigeria, based on the leading & regulatory roles of Govt (especially the FG), followed by the environmental & social responsibility roles of the **private sector** (businesses), should promote the UNSDGs, so as to **achieve them**, towards environmentally-sound & socio-economically equitable SD in the course of EIOs in the country

Concluding Remarks

- To robustly domesticate the ideals & practices of the UN Global Compact, the WBCSD & other benchmarked international soft law business regulatory & sustainability standards & practices associated with energy resources & EIOs in Nigeria, we recommend that govt, especially govt regulatory agencies, led by the FMEnve, should persuade EIs, such as MNOCs, to **establish a BCSD in Nigeria**

Concluding Remarks

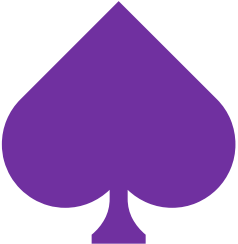
- This Council would be a CSR framework that would complement the prevailing **Code of Corporate Governance for Public Companies in Nigeria** & thereby further promote corporate environmental & social investment performances beyond what prevails in the country, & in conformity with benchmarked international standards of business sustainability standards & practices

Concluding Remarks

- Generally, we recommended that benchmarked international soft law business regulatory & sustainability standards & practices be domesticated in Nigeria, in conformity with pragmatic realities, towards environmentally-sound & socio-economically equitable sustainable EIOs, especially environmentally-sound sustainable petroleum dev operations, & overall sound & socio-economically equitable SD in the country

Concluding Remarks

- By & large, integrating these global & international soft law regulatory mechanisms into petroleum dev & other EIOs' projects in Nigeria underscores the significant **role of EA/IA as a TOOL for Qualitative Environment & Social Equity, towards achieving SD & thus the UNSDGS in the country**

•  **Thank you** 

