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Proteus Annual Meeting

28th - 29th June 2016

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Extractive Industries & Agenda 2030:

A global framework for measuring and tracking economic, social and environmental performance

Casper Sonesson, United Nations Development Programme

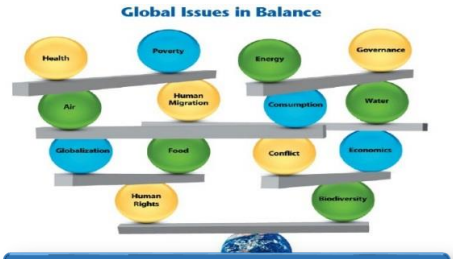
Overview

1. What is Agenda 2030 and the SDGs?
2. Why is Agenda 2030 relevant for the extractive industries?
3. What can the extractive industries do to contribute to SDG Achievement?
4. How can extractives contribute to SDG 15?
5. Measuring and tracking company contributions and impacts on the SDGs
6. Way forward

1. What is Agenda 2030 and the SDGs

1. What is Agenda 2030 and the SDGs
SDG AGENDA PRINCIPLES

Empowered lives. Resilient nations.



INTEGRATION

- **Policy integration means balancing all three SD dimensions:** social, economic growth and environmental protection
- An integrated approach implies managing trade-offs and maximizing synergies across targets

UNIVERSALITY

- **Implies that goals and targets are relevant to all governments and actors:** integration
- Universality does not mean uniformity. It implies differentiation (What can each country contribute? – CBDR principle)

'NO ONE LEFT BEHIND'

- **The principle of 'no one left behind'** advocates countries to go beyond averages.
- The SDGs should benefit all – eradicating poverty and reducing inequalities.
- Promotion and use of disaggregated data is key

2) Why is Agenda 2030 relevant for the extractive industries? (1)

a) Extractive industries can play a critical role in SDG achievement

Enhancing positive contributions, e.g.:

- Significant generator of **public revenues**, contributor to GDP and export earnings
- **Drive and catalyze economic growth** investments, technology and knowledge transfer, innovation
- **Establish linkages –** Development of infrastructure and up-, down-, and side-stream linkages
- **Scope –** Global presence and wide reach, including in remote, less-developed areas

Mitigate negative impacts:

- Environmental degradation, displacement of populations, worsening economic and social inequality, Dutch disease, armed conflicts, gender-based violence, tax evasion and corruption, and increased risk for many health problems

2) Why is Agenda 2030 relevant for the extractive industries? (2)

<u>b) The SDGs will impact on and matter for the Extractive Industry - The Business case:</u>

- Goals and targets will gradually be incorporated into national plans, regulations & policies
- Incorporating SDGs can mean greater efficiencies, cost savings and competitiveness
- Supporting the SDGs builds a better business environment
- Incorporating the SDGs enhances possibility to access capital
- Aligning with the SDGs can give companies a common language to communicate impact

3) What can the extractive industries do to contribute to SDG Achievement? (1)

"Mapping Mining to the SDGs" (UNDP, WEF, CCSI, UNSDSN, July 2016)

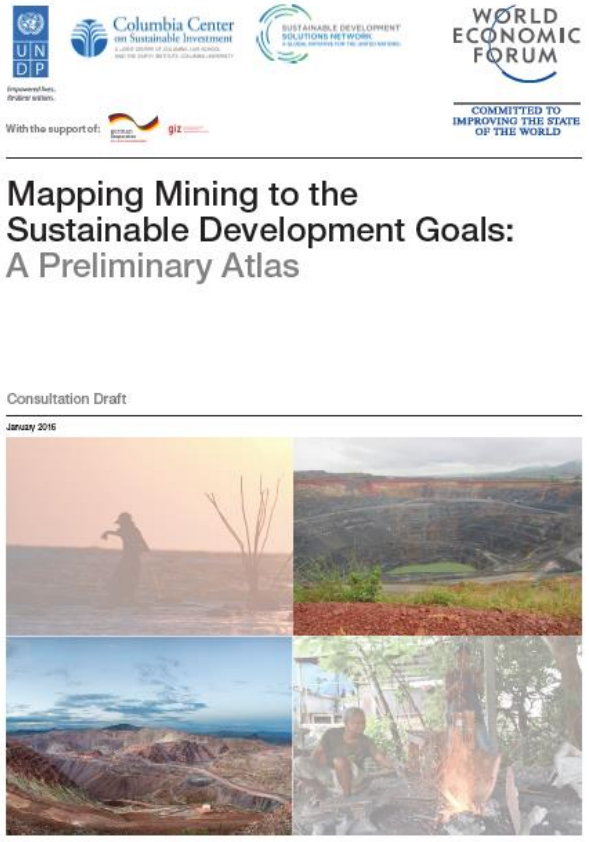
"Oil & Gas and the SDGs" (UNDP, IFC, IPIECA, CCSI, SDSN, Q4 2016)

Three outcomes:

1. ***Increased understanding*** of how the SDGs and mining relate
2. ***Awareness-raising*** of opportunities and challenges to encourage companies to incorporate relevant SDGs into business operations
3. ***Multi-stakeholder dialogue and collaboration*** towards achievement of the SDGs

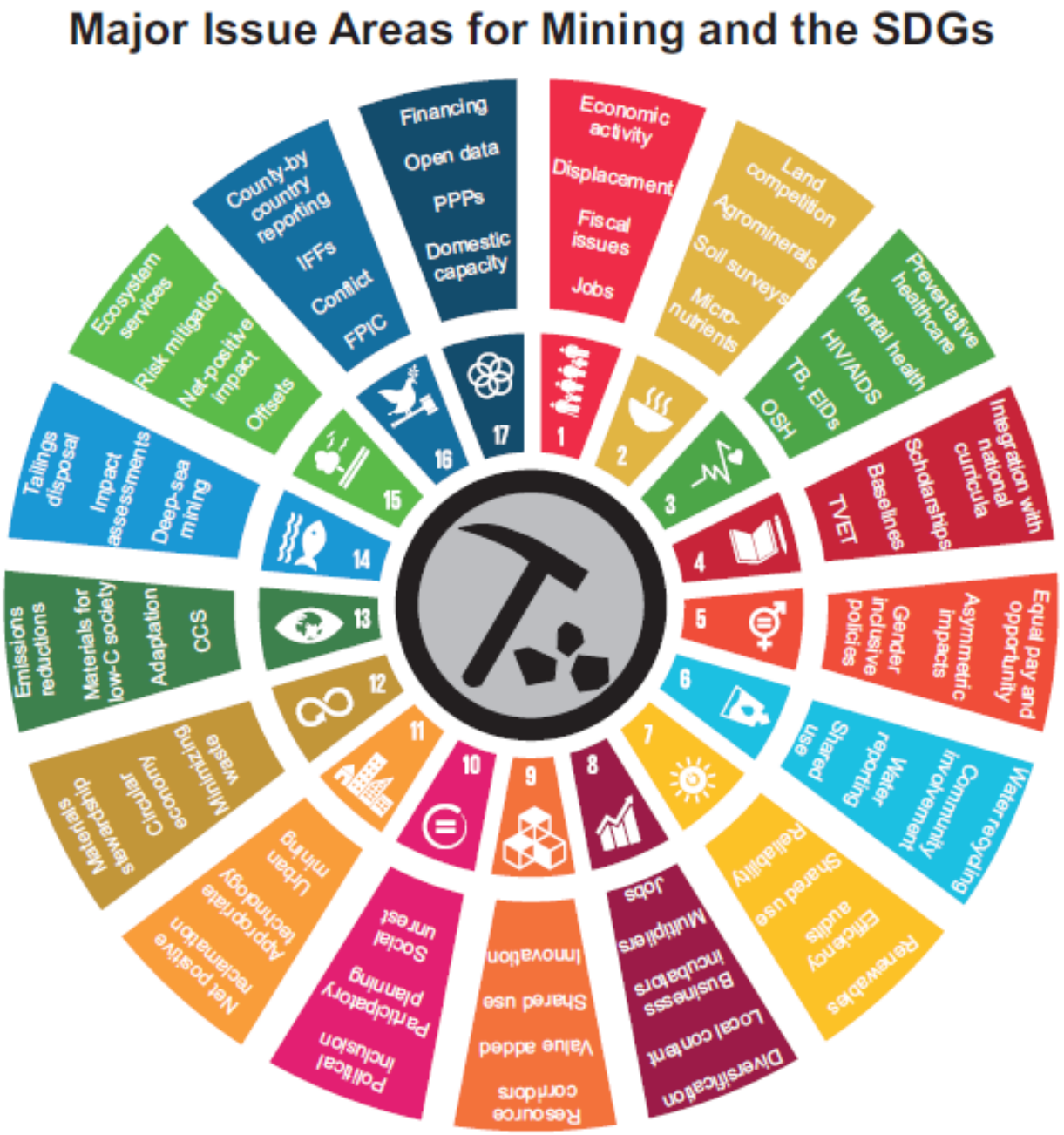
One chapter / SDG:

1. Incorporating each SDG into **core business** activities and functions
2. Proposed ways for companies to **collaborate** with other stakeholders and **leverage** additional resources
3. **Case studies**



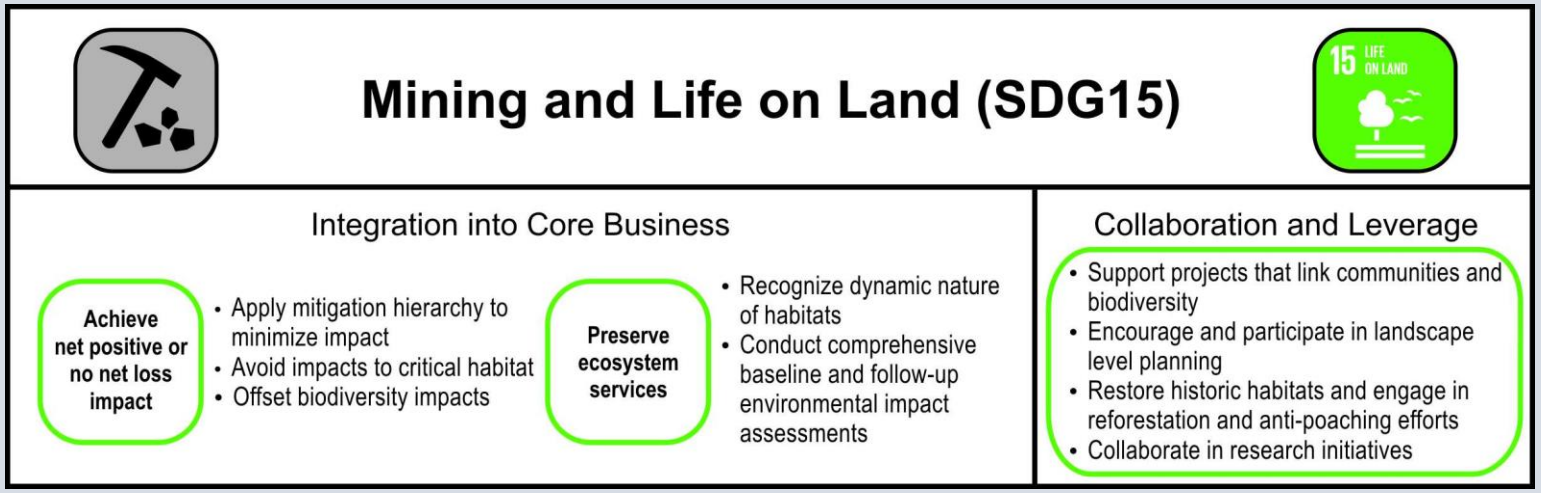
3) What can the extractive industries do?

- Multiple opportunities across all SDGs…
- Need to prioritize – context matters



SDG15: Life on Land

- ✓ **SDG15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss
- ✓ ***Business case:*** Accessing land, license to operate, access to finance



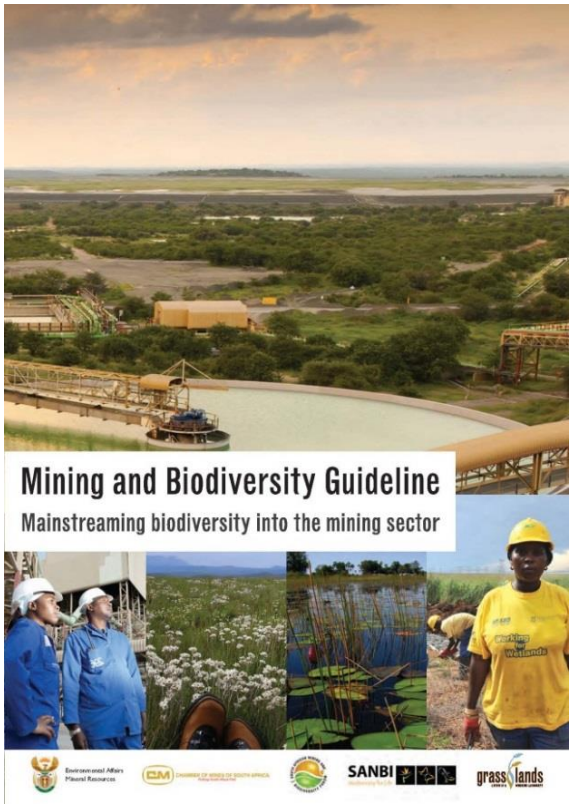
3. Examples

- Mining and Biodiversity Guidelines – South Africa
- Biodiversity offsets – e.g. Madagascar

SDG15: Life on Land & Mining - Example

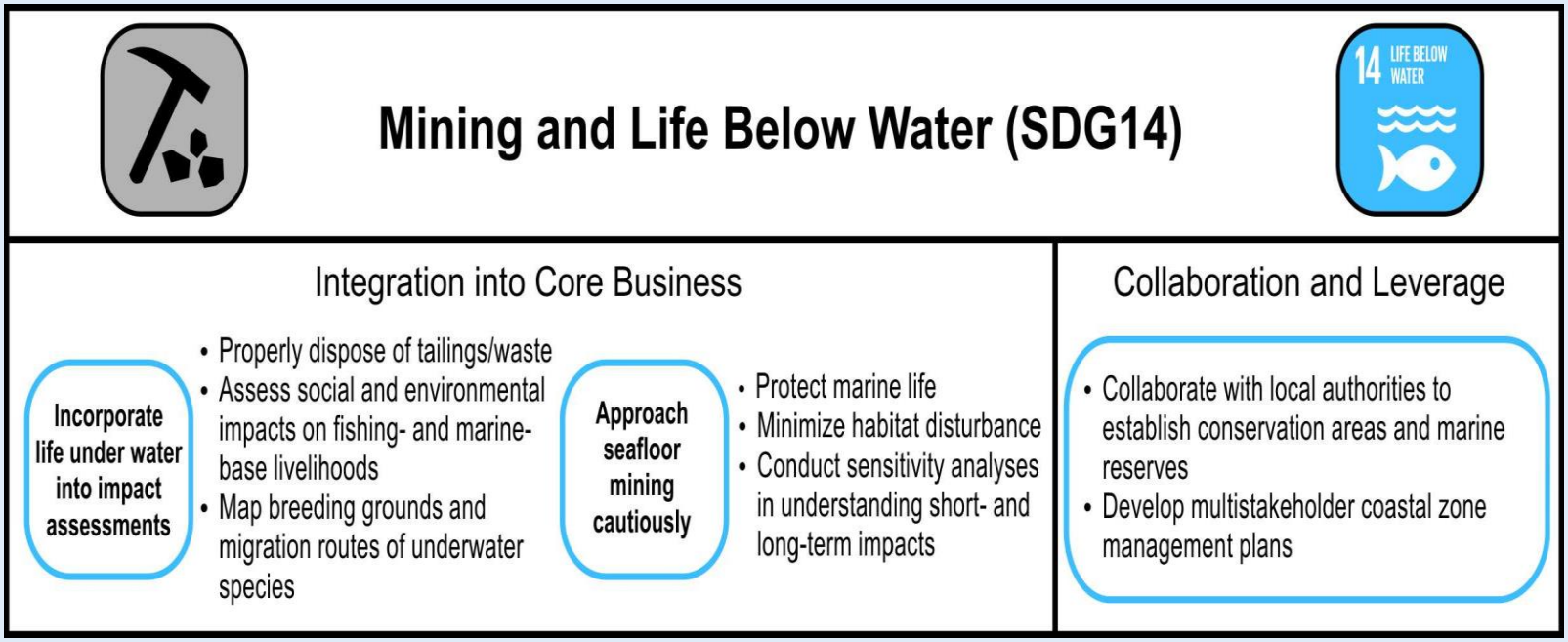
Mining and Biodiversity Guidelines – South Africa

- Three-year multi-stakeholder process convened by the South African Mining and Biodiversity Forum with participation of the Chamber of Mines of South Africa and its members, several government departments and NGOs.
- A single common reference point for industry and regulators to ensure biodiversity issues are integrated into the decision-making for mining projects.
- Launched in 2013, approved by mineral and environment ministers and adopted by Chamber of Mines (69 members)
- Multistakeholder process was a critical feature – "collaborative governance" to develop new standards, policies and to build trust.



SDG14: Life Below Water

- ✓ **SDG14: SDG14:** *Life Below Water – Conserve and sustainably use the oceans, seas and marine resources for sustainable development*
- ✓ ***Business case:*** Access to resources, adherence to regulation, license to operate, access to finance



- ✓ ***Example:*** Protecting coral reefs at an LNG terminal - Yemen

How can extractives contribute?
Towards Integrated approaches to SDGs
Better understanding required…

Nacala Logistics Corridor – Mozambique

- 900km railway to connect mine to Nacala port
- Minerals transport + general cargo and shared use, including agriculture
- 1000+ km of roads (Mal – Moz – Zam)
- Partners: Government of Mozambique; Government of Malawi; Vale / Mitsui; Nacala Corridor Fund, AfDB

Infrastructure project seeks to catalyze broader economic and agriculture development. Unclear if environmental and social issues taken into account – but opportunities and need to do so going forward.

Integrated planning. Synergies? Trade-offs?

SDGs impacted - 2,8,9,15..

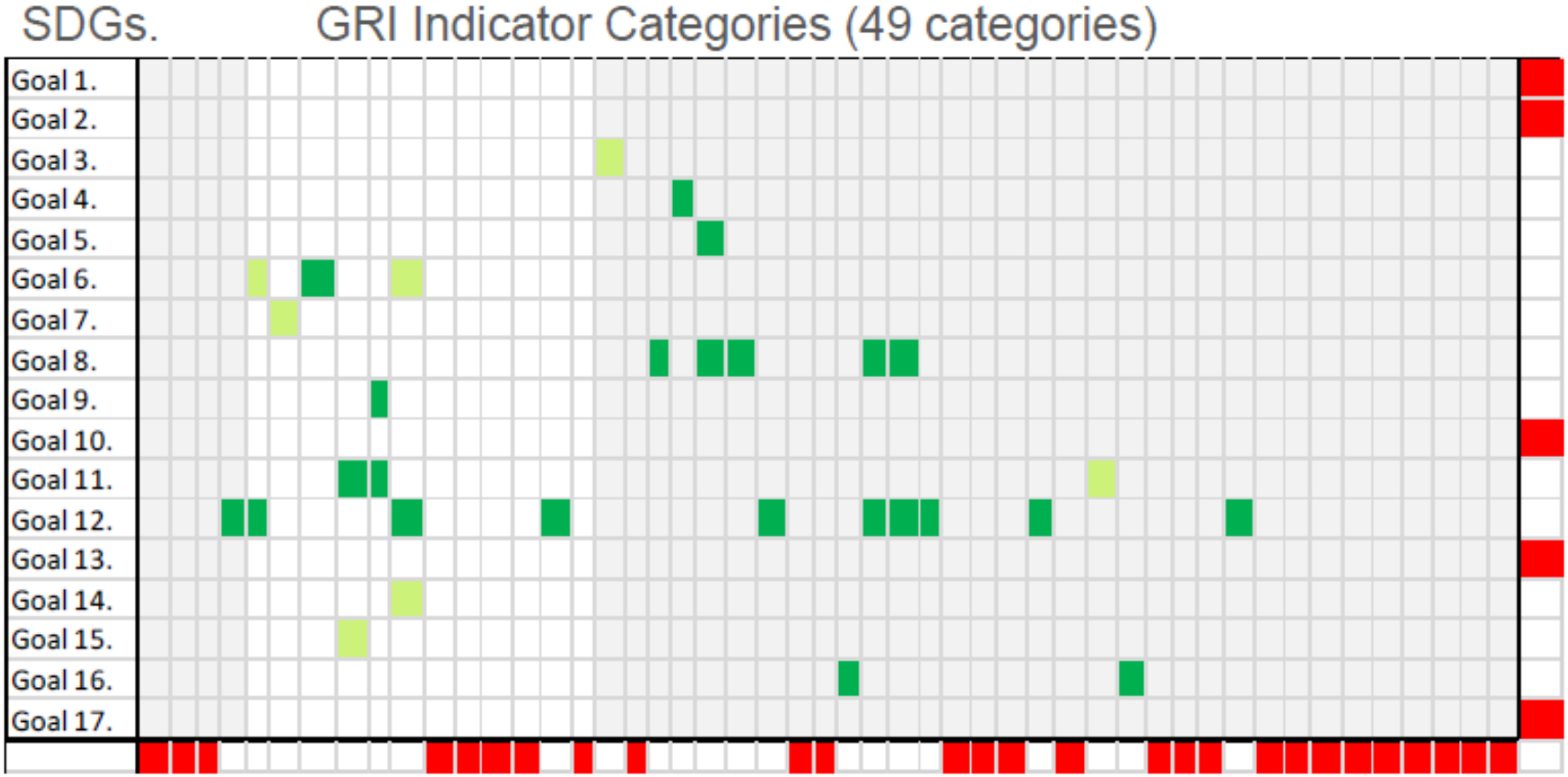
5. Measuring and tracking contributions and impacts on the SDGs

Why?

- To guide public and private sector accountability, help to aggregate efforts and thus track progress
- SDG target 12.6 on enhancing corporate sustainability reporting may mean new policies and requirements at country levels on corporate reporting
- SDGs are nationally-owned - governments are currently defining their specific targets
- Ensure correct types of data is collected to capture extractives' contributions to national SDG achievement
- Need to align existing corporate measurement frameworks and SDG indicators and tools, e.g.:
  - SDG Compass – aims to align company strategies with SDGs and measure contributions
  - Integrated Biodiversity Assessment Tool (IBAT for Business)
  - Global Reporting Initiative
  - IRMA
  - Beyond Zero Harm framework

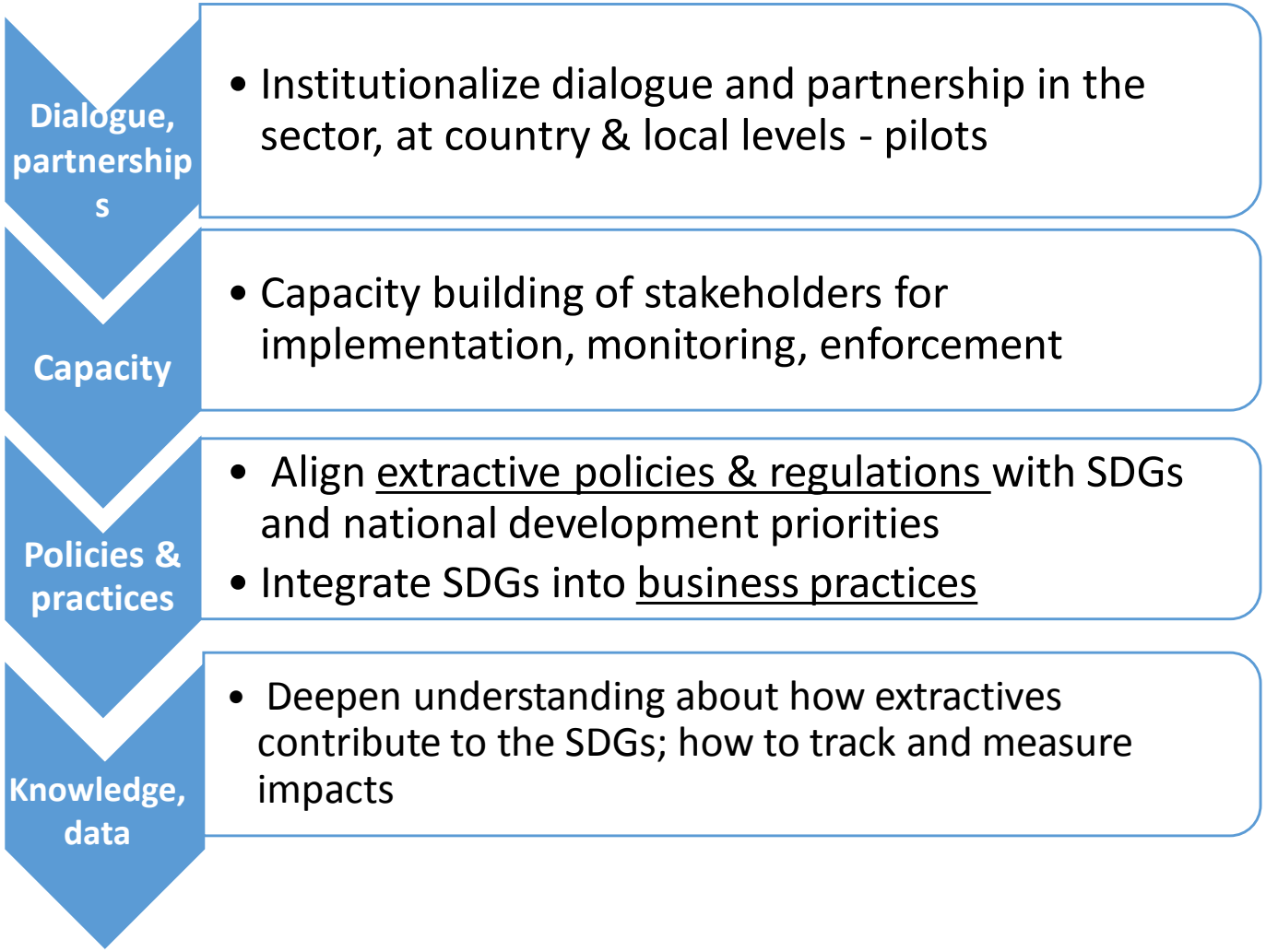
Measuring and tracking: Alignment SDGs – GRI

(From IISD/ IGF presentation)



Color-coding: Alignment Partial Alignment No Alignment

Moving forward to enhance sustainable development outcomes from extractives?



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Biodiversity and the extractive sector

The role of the Intergovernmental Platform on Biodiversity and Ecosystem services (IPBES)

Ivar Baste, IPBES Bureau & co-chair of the IPBES capacity building task force

www.ipbes.net

Establishment of IPBES

Intergovernmental Platform on Biodiversity and Ecosystem Services

- Established in April 2012, Panama
- Objective: To strengthen the science-policy interface for biodiversity and ecosystem services for the conservation and sustainable use of biodiversity, long-term human well-being and sustainable development
- Currently 124 Members
- Secretariat hosted in Bonn, Germany

Sustainable development

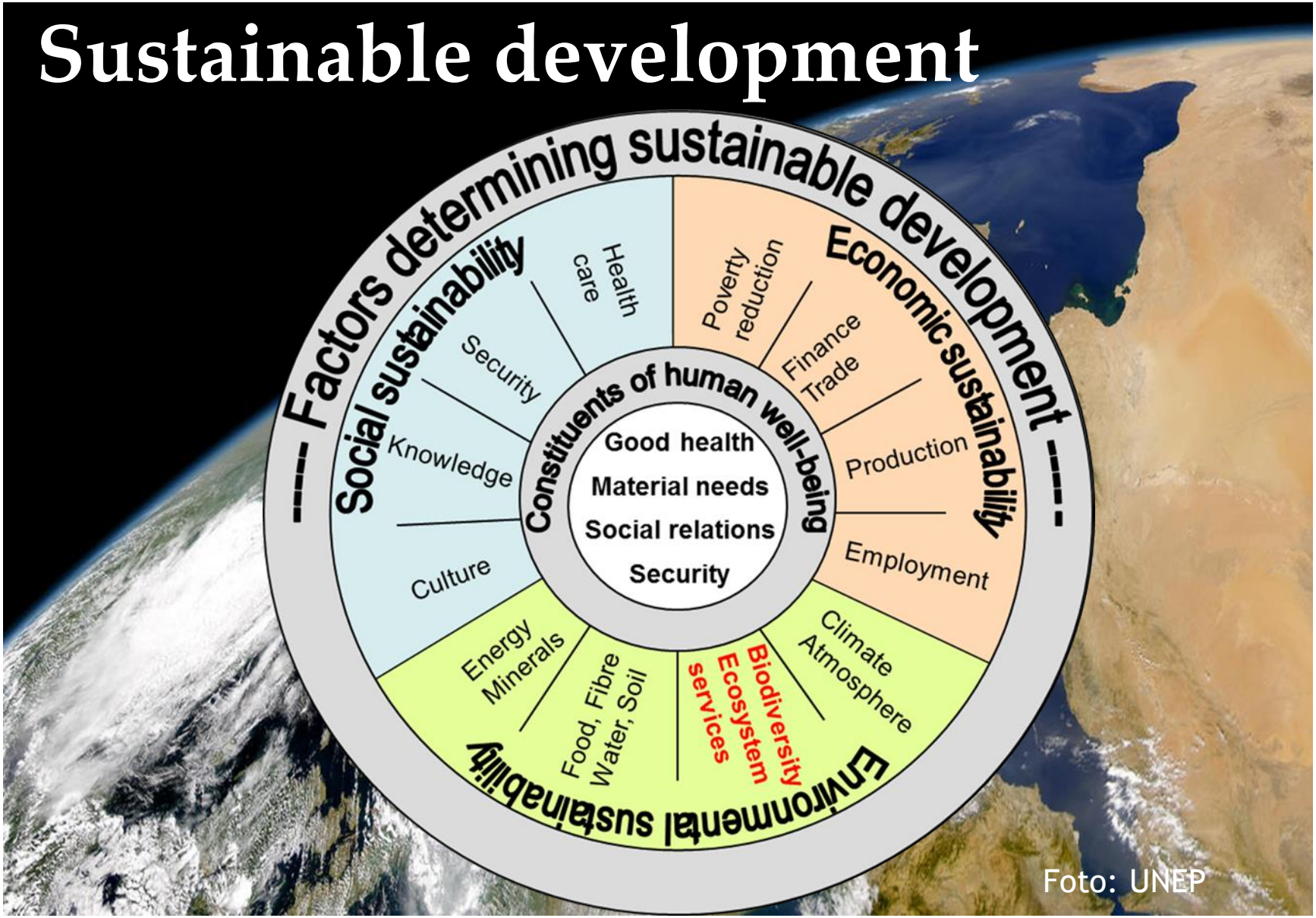


Foto: UNEP

Sustainable development goals

4 Education

5 Gender

17 Support

8 Jobs/Growth

12 SCP

11 Cities

1 Poverty

10 Equality

3 Health

9 Infrastructure

16 Peace

7 Energy

13 Climate

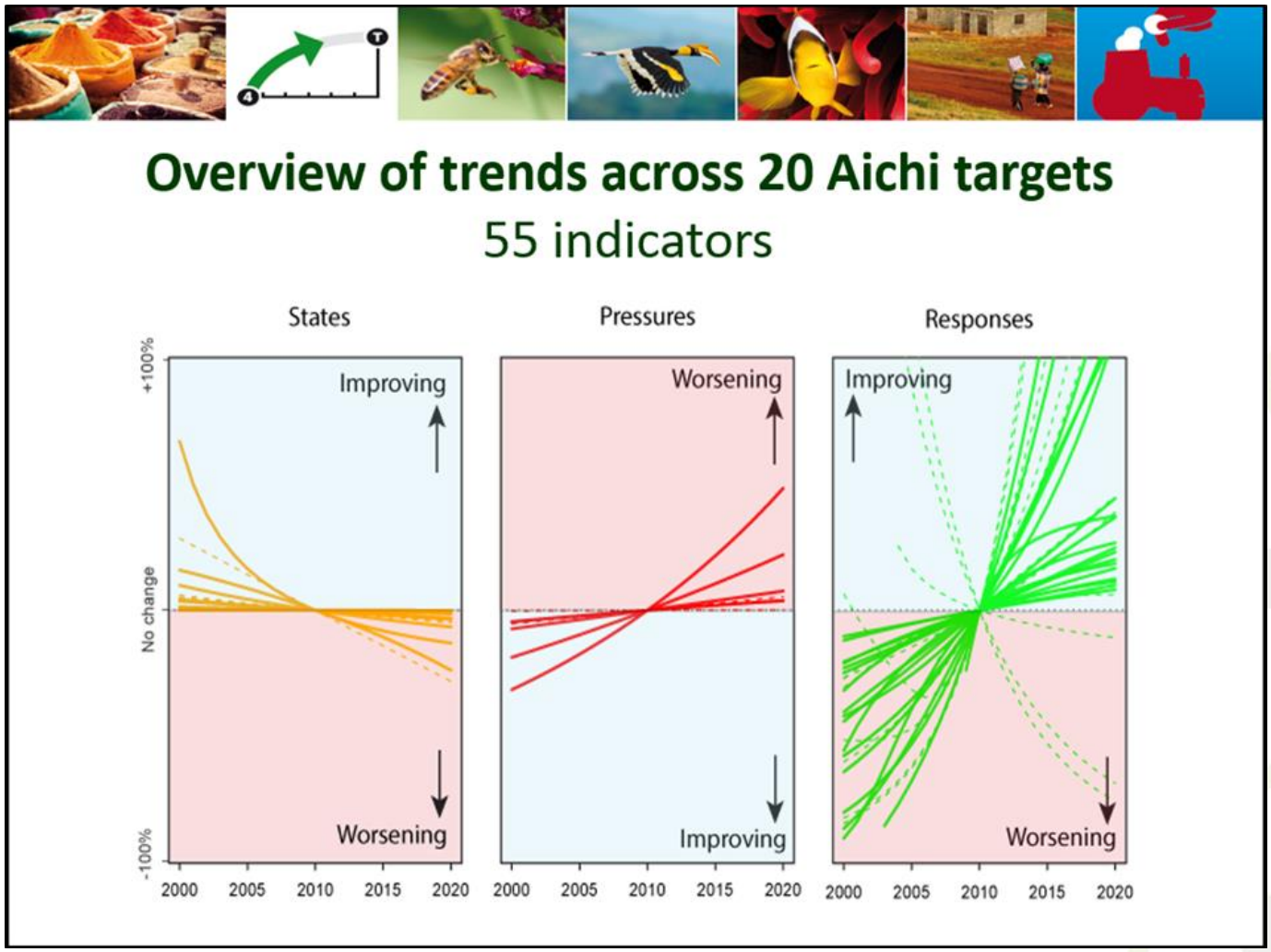
6 Water/san

2 Food/Ag

14 Oceans

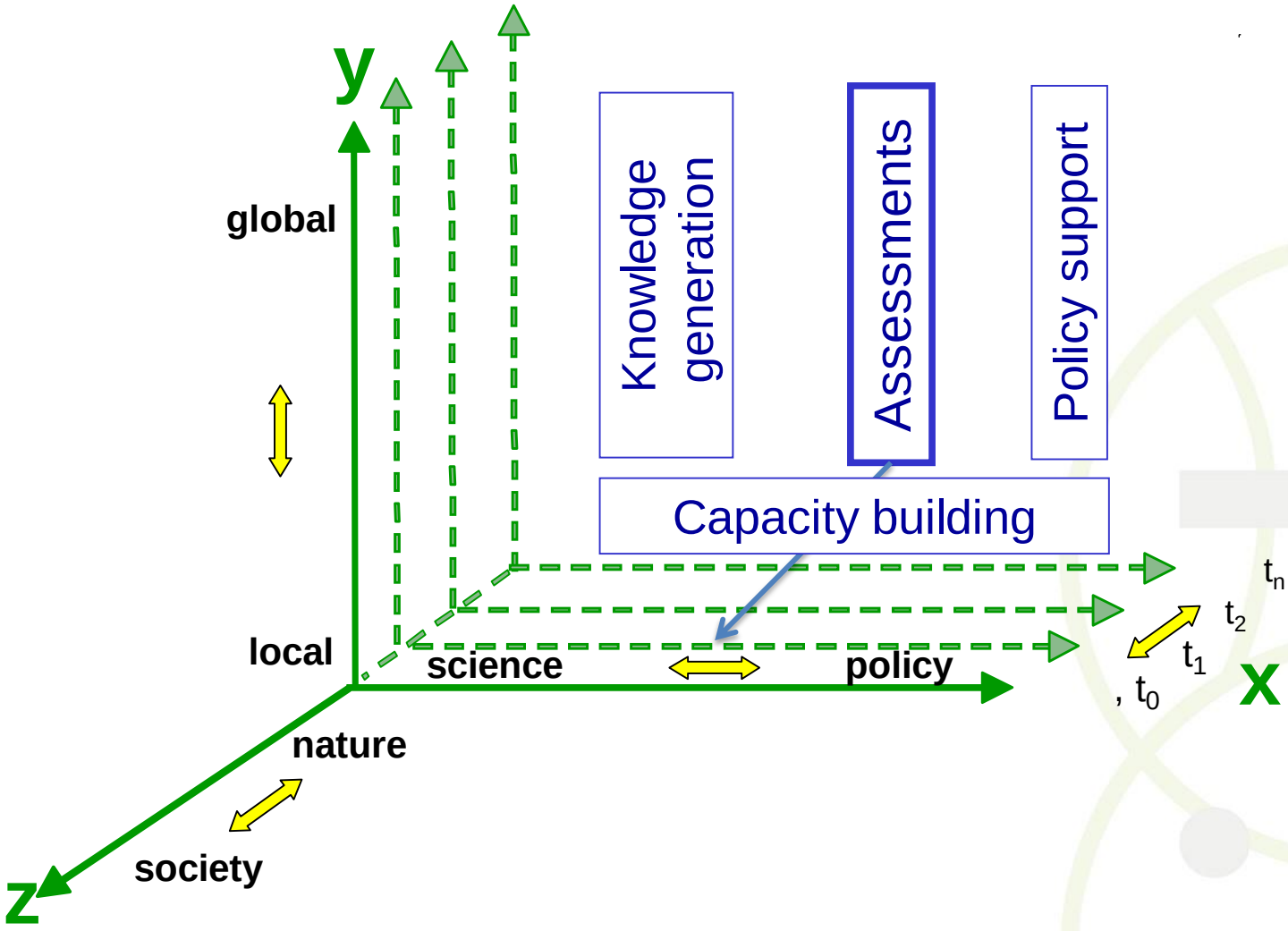
15 Terrestrial

The challenge

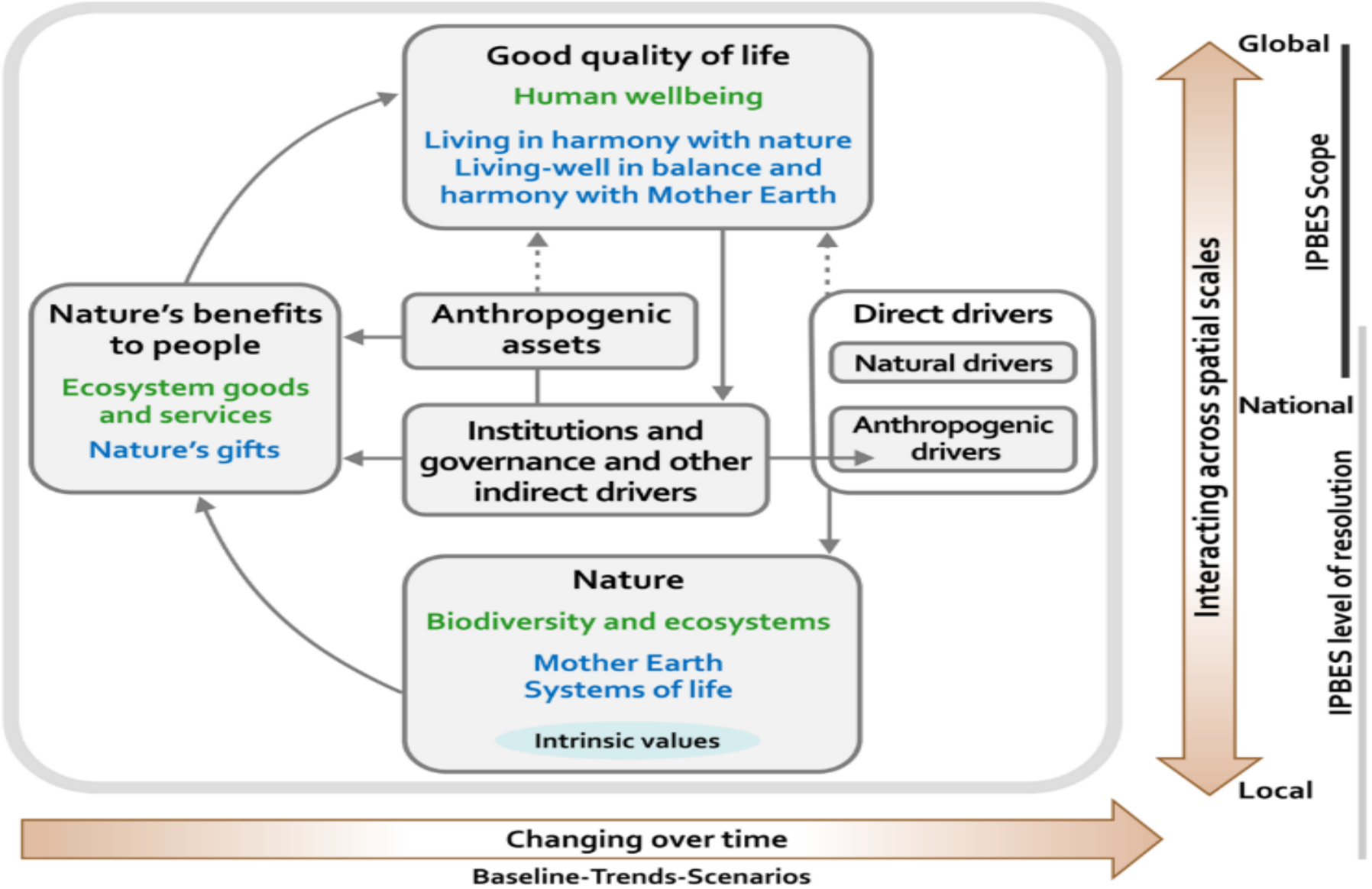


Slide from David Cooper CBD Secretariat

IPBES Functions



IPBES Conceptual Framework

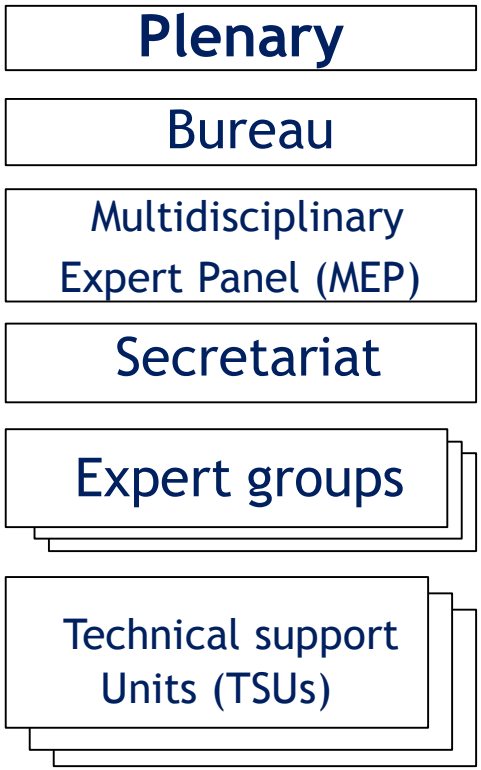


Governance of IPBES assessments

Constitution

Goals, functions and operating principles (i.a. on credibility, relevance, legitimacy, independence, involvement, gender & cooperation)

Institutional arrangements:



Governance tools:

- Rules of Procedures for the Plenary
- Work programme 2014-2018 (WP)
- Trust Fund
- Procedures for the preparation of Platform deliverables (scoping, expert selection, preparation, review and approval of assessments; use of ILK; addressing errors & conflict of interest)
- Conceptual Framework
- Guidelines (assessments, scenarios, valuation) and catalogs on assessments (and policy support tools)

IPBES 1st work programme

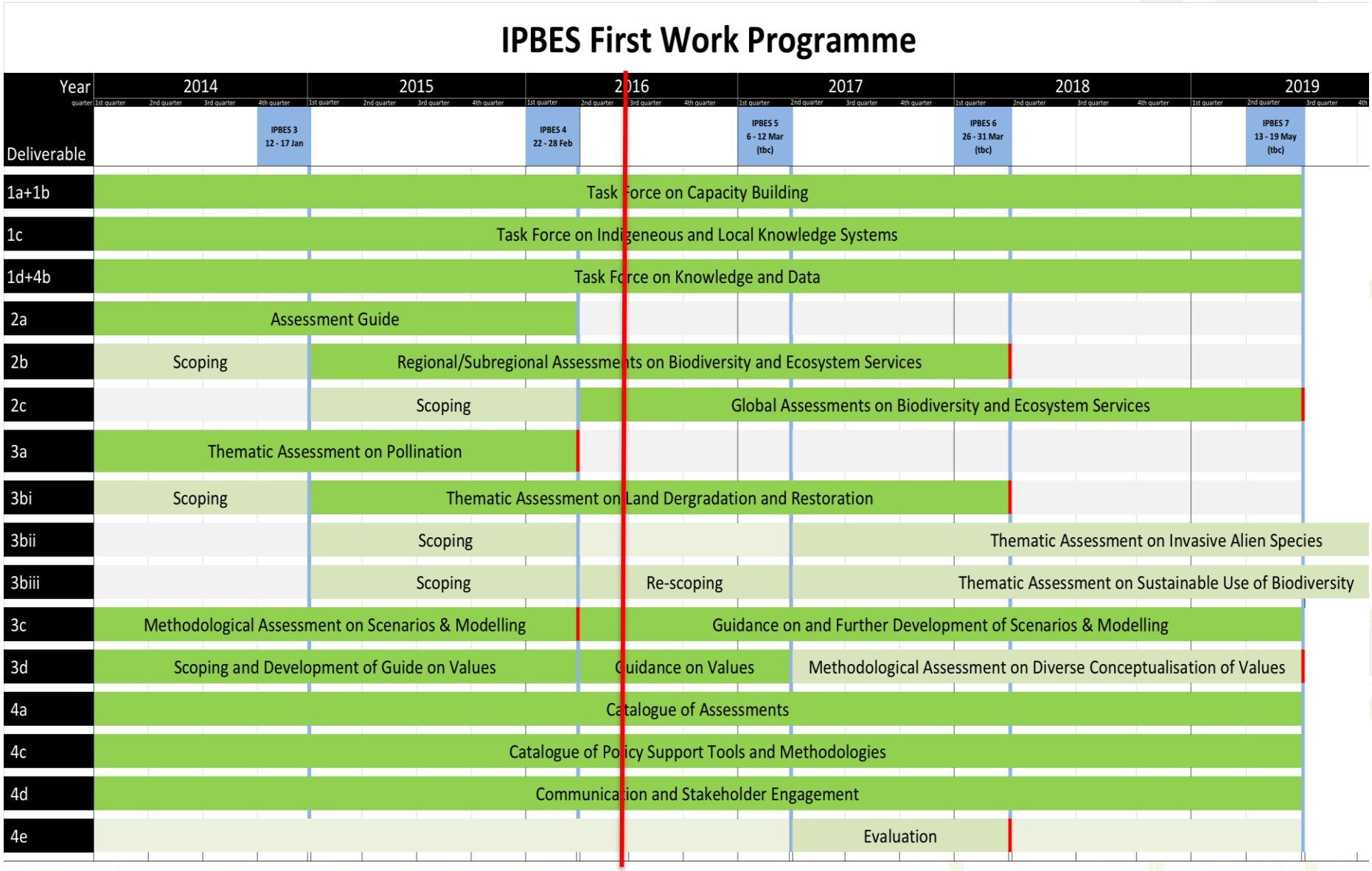
Objective 1: Strengthen the capacity and knowledge foundations of the science-policy interface to implement key IPBES functions

Objective 2: Strengthen the science-policy interface on biodiversity and ecosystem services at and across the sub-regional, regional and global levels

Objective 3: Strengthen the knowledge-policy interface with regard to thematic and methodological issues

Objective 4: Communicate and evaluate IPBES activities, deliverables and findings

IPBES 1st work programme



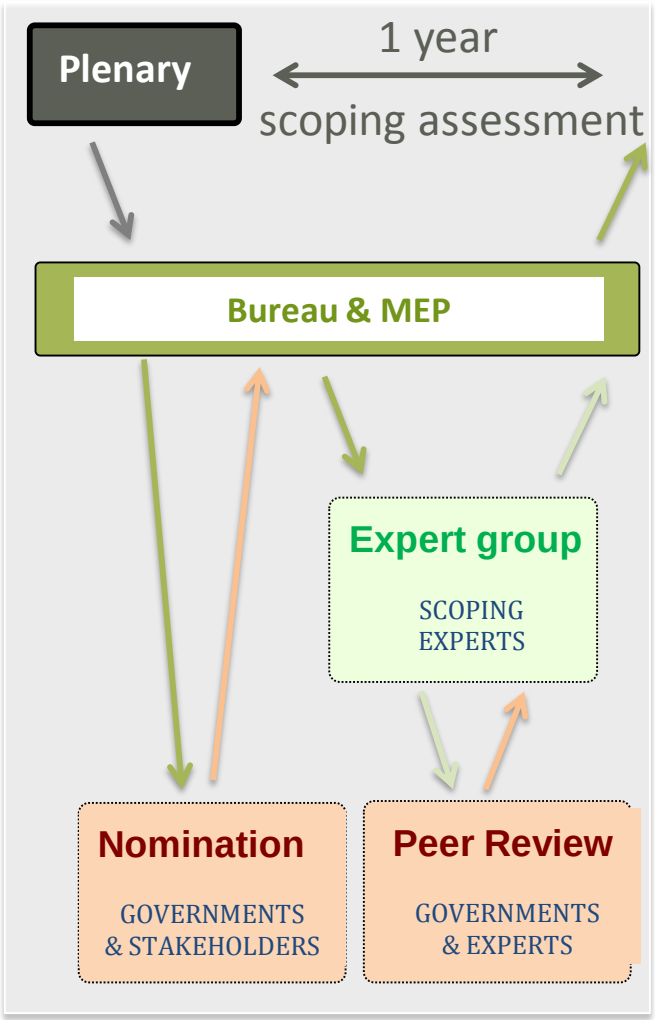
IPBES assessments in a nutshell

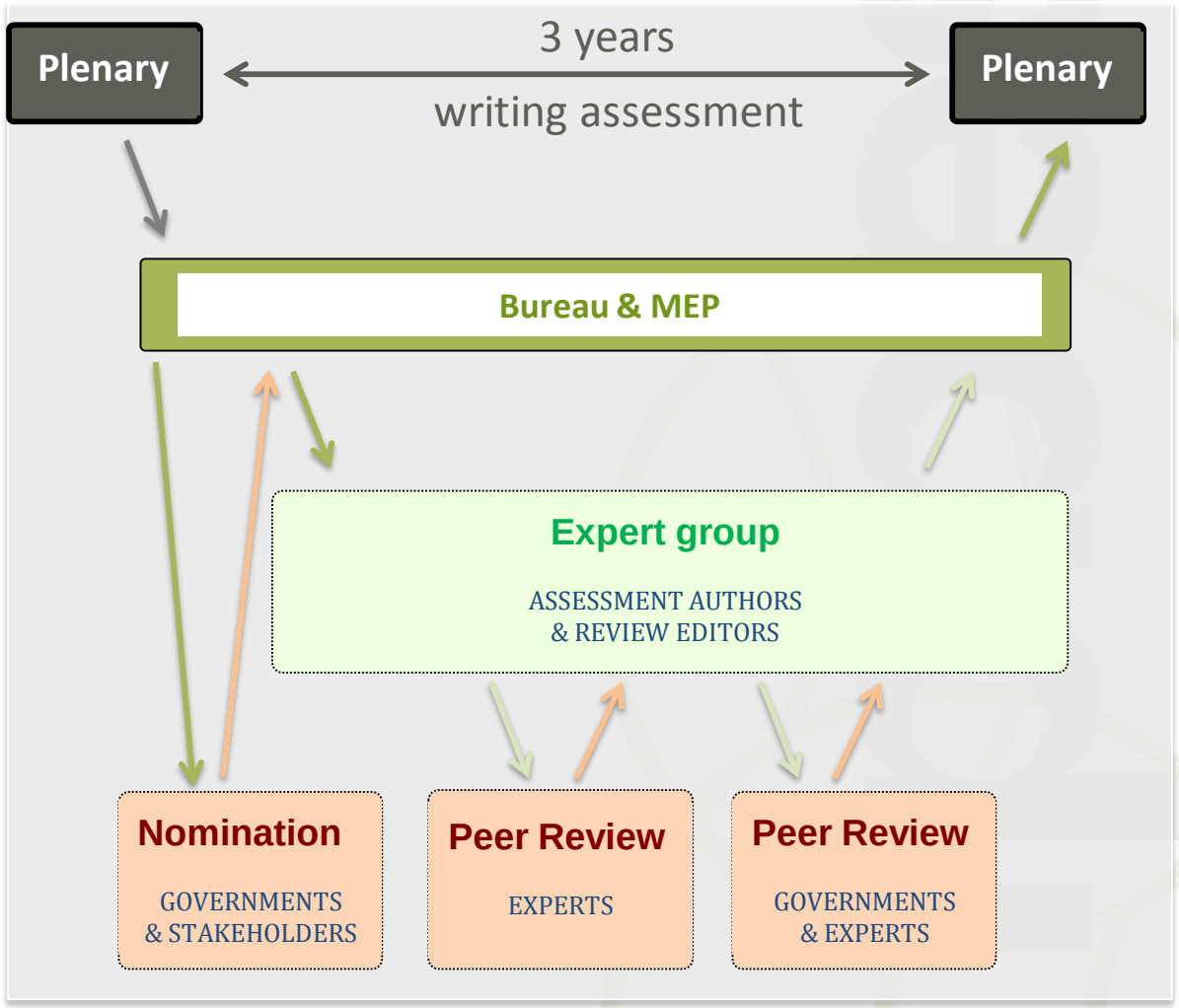
- IPBES critically assesses the state of knowledge on the interactions between human societies and the natural world from an international perspective.

- The different analyses typically involve in-kind contributions by hundreds of leading experts from multiple disciplines in science as well as from indigenous and local knowledge systems.

- They’re involvement follow a rigorous process which presents the confidence level of the knowledge and policy tools at hand in support of policy-making and further knowledge generation.

Assessment Process





Use of confidence terms

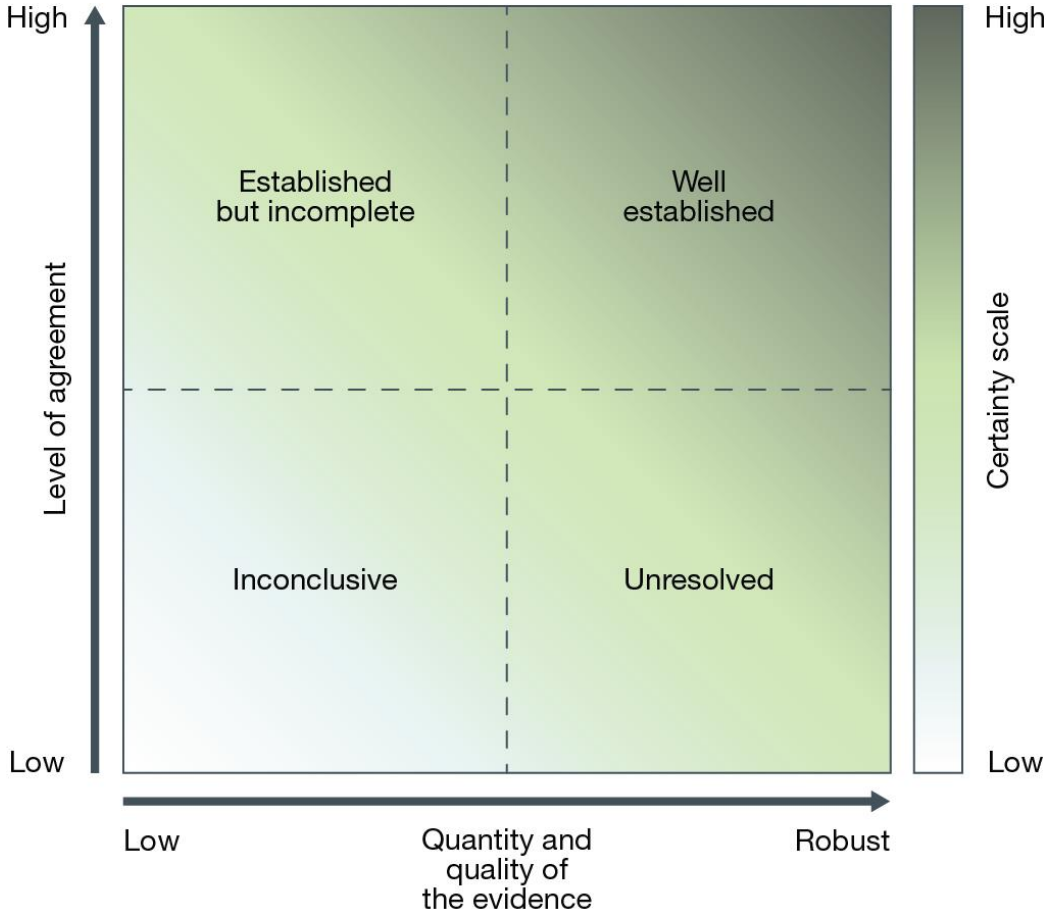


Figure SPM.A2: The four-box model for the qualitative communication of confidence. Confidence increases towards the top-right corner as suggested by the increasing strength of shading. Source: modified from Moss and Schneider (2000).[1]

Well established: comprehensive meta-analysis or other synthesis or multiple independent studies that agree.

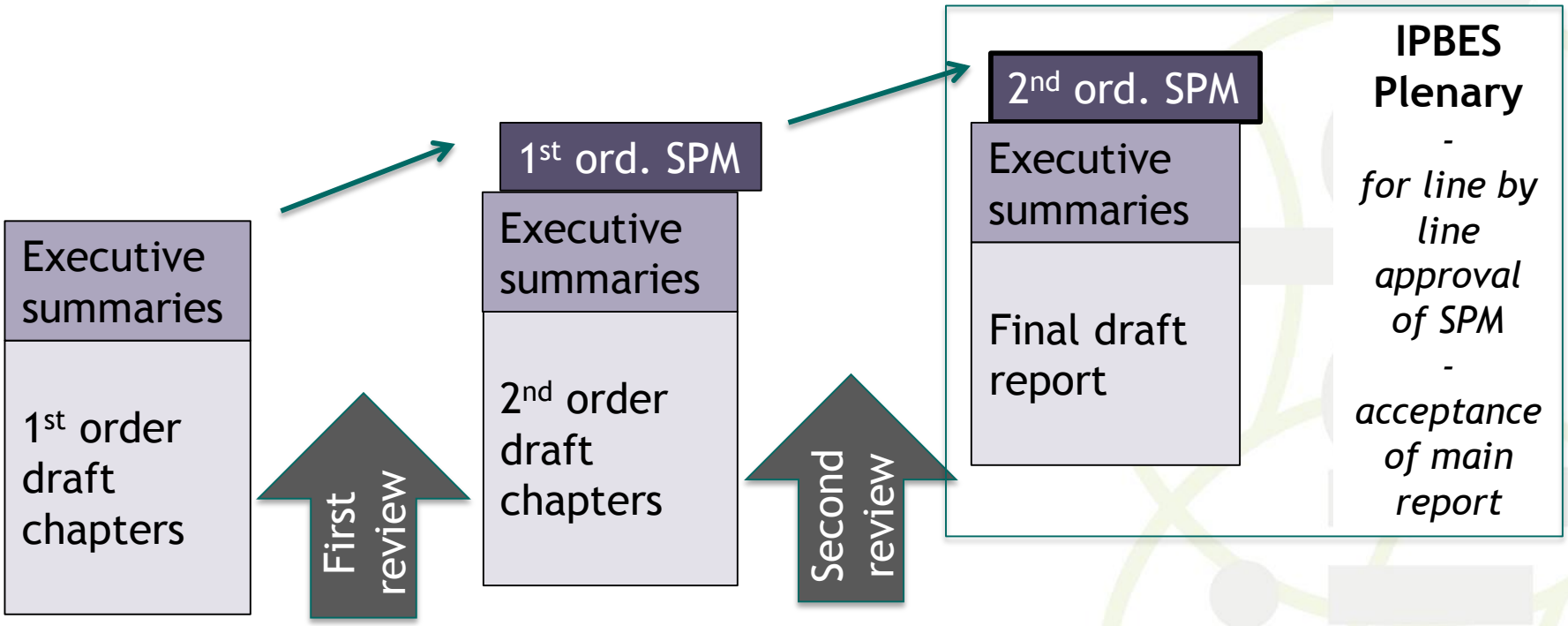
Established but incomplete: general agreement although only a limited number of studies exist; no comprehensive synthesis and/or the studies that exist address the question imprecisely.

Unresolved: multiple independent studies exist but conclusions do not agree.

Inconclusive: limited evidence, recognizing major knowledge gaps.

Summary for Policy Makers (SPM)

- The development of the SPM is an iterative process which involve going fourth and back between the SPM and the main report



The capacity building rolling plan

Capacity-building forum
In New York in September 2016

Strategy 1: Learning and engagement

- the IPBES Fellowship Programme
- the IPBES Training and Familiarisation Programme
- initiatives on promoting secondments and internships as well as exchange visits and study tours

Strategy 2: Facilitating access to expertise and information

- building and supporting communities of practice
- facilitating integration of indigenous and local knowledge
- facilitating access to data, information and knowledge

Strategy 3: Strengthening national and regional capacities

- promoting and facilitating national capacity-self assessment
- promoting and facilitating national and sub-regional assessments
- promoting and facilitating national and regional platforms and networks

Knowledge in a polycentric world

IPBES identifies legitimate, credible & relevant knowledge

- On how ecosystem services support human well-being
- By assessing the state of knowledge at different scales
- Through in-kind contributions from thousands of experts
- By identifying knowledge needs & ways of managing knowledge
- By facilitating policy support tools development
- By building capacity in the science policy interface


Thank you !
www.ipbes.net

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Identifying areas of tension between oil and gas and biodiversity and the governance challenges ahead

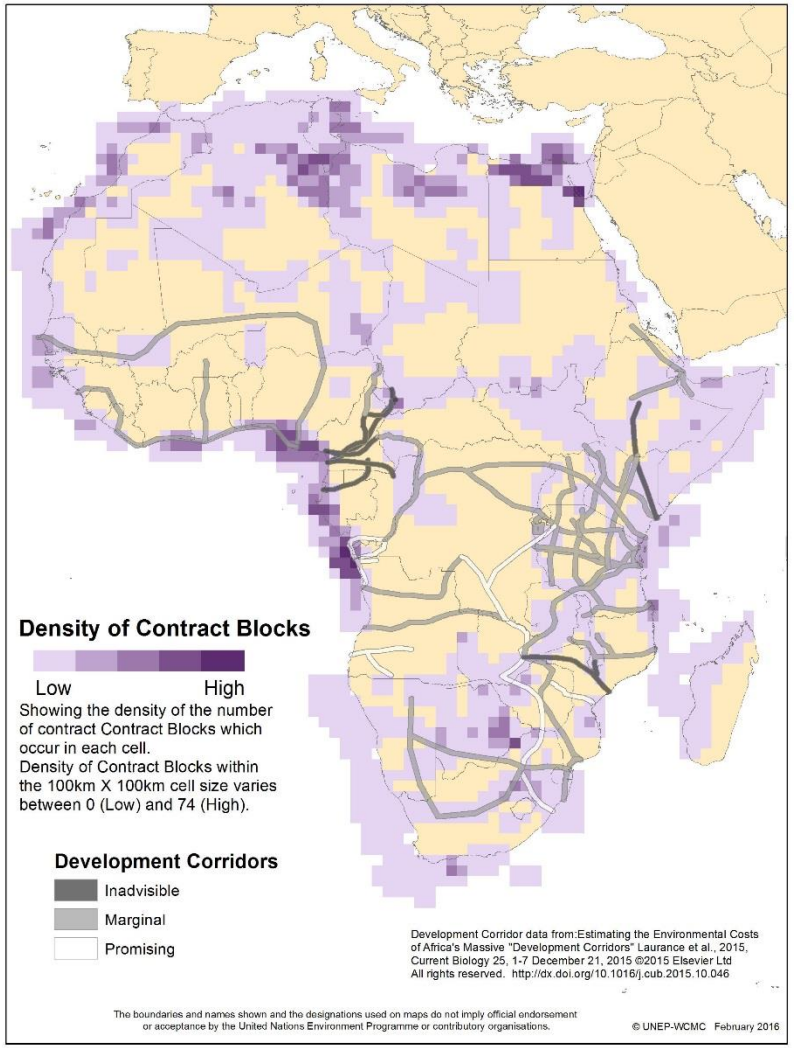
29th June 2016

Sharon Brooks, Mark Wright, Katie Leach, Simon Blyth

UNEP WCMC

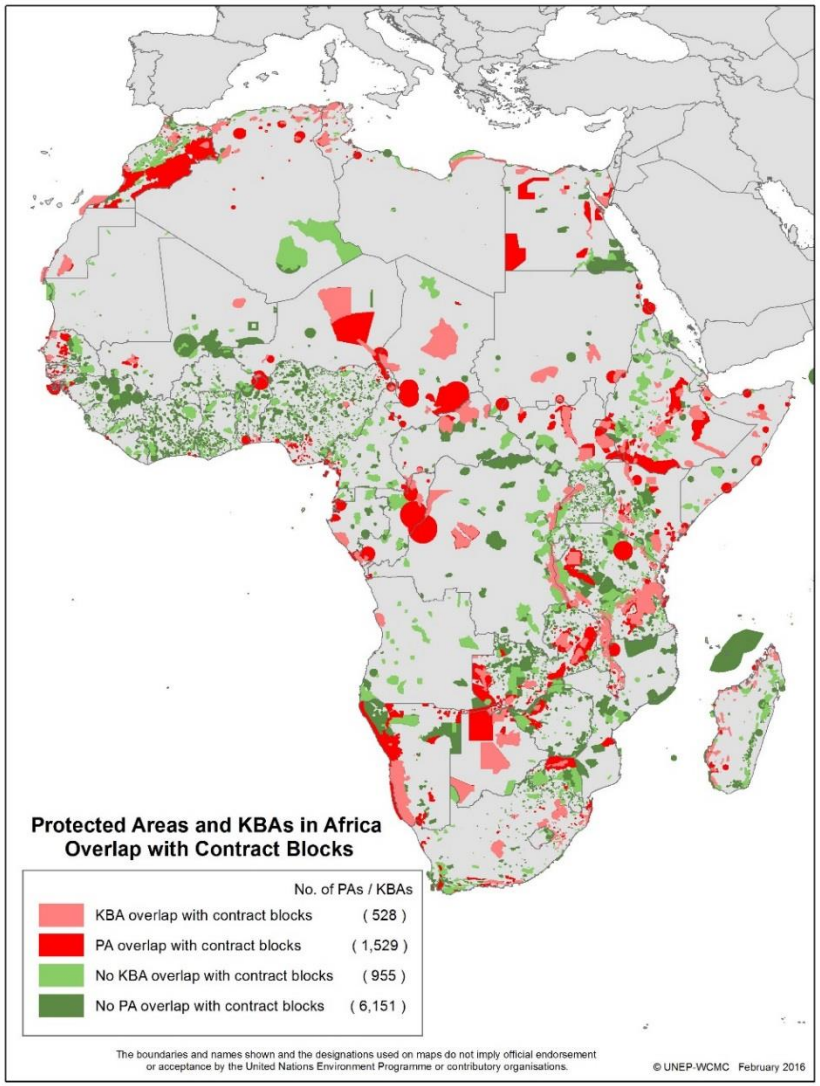
Oil and gas development across Africa

- >2700 contract blocks in Africa
- Covering 20% Africa's land area and 19% of the EEZ



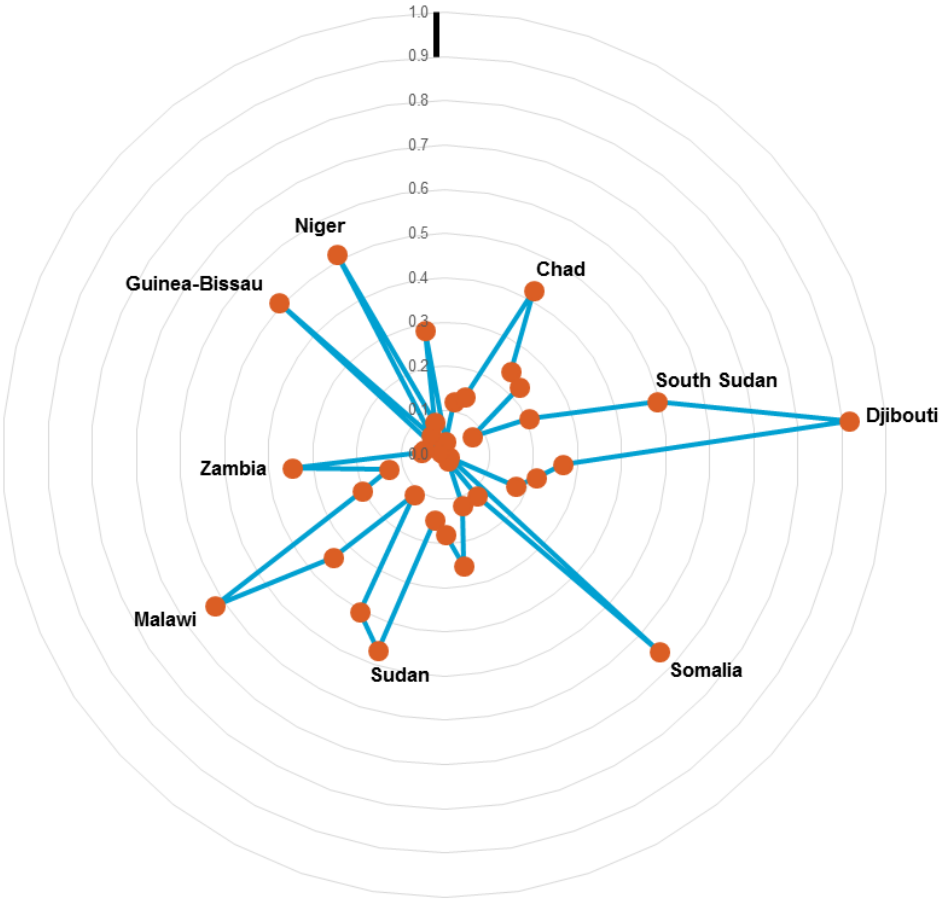
Oil and gas development relative to biodiversity

- 20 % of area occupied by protected areas and KBAs overlap with contract blocks
- Half of overlapping areas, overlap in entirity
- 32% of AZEs overlap with contract blocks by ~20%

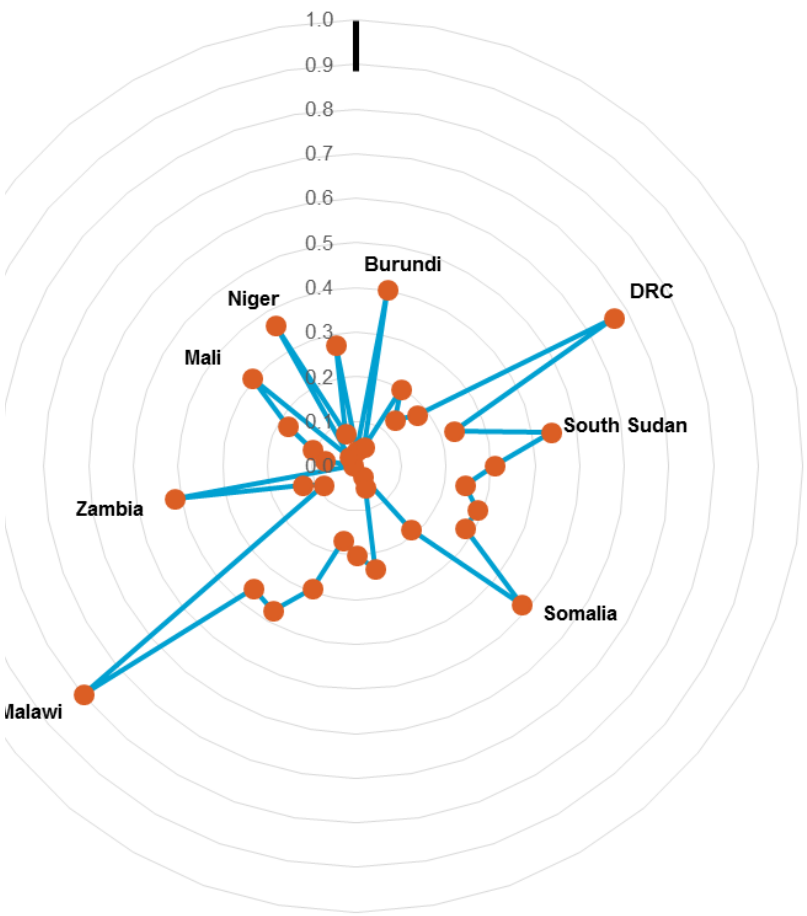


Country comparison

Protected areas

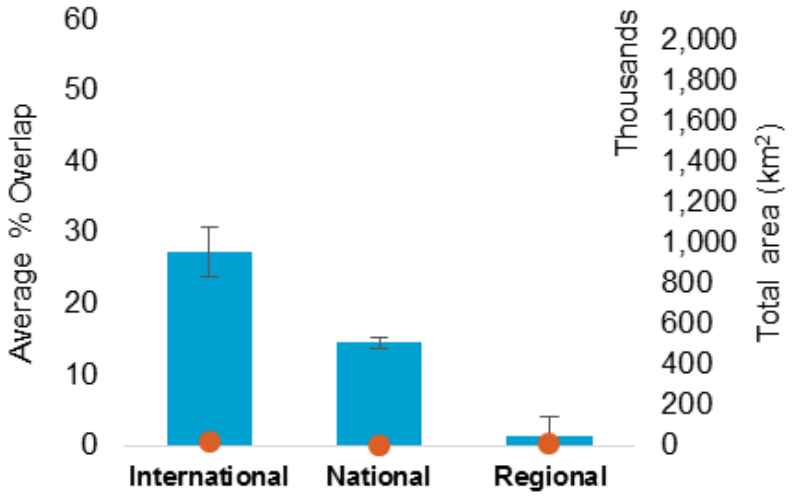


Key Biodiversity Areas



Countries with significant overlap include Malawi, Mozambique, Somalia and Djibouti

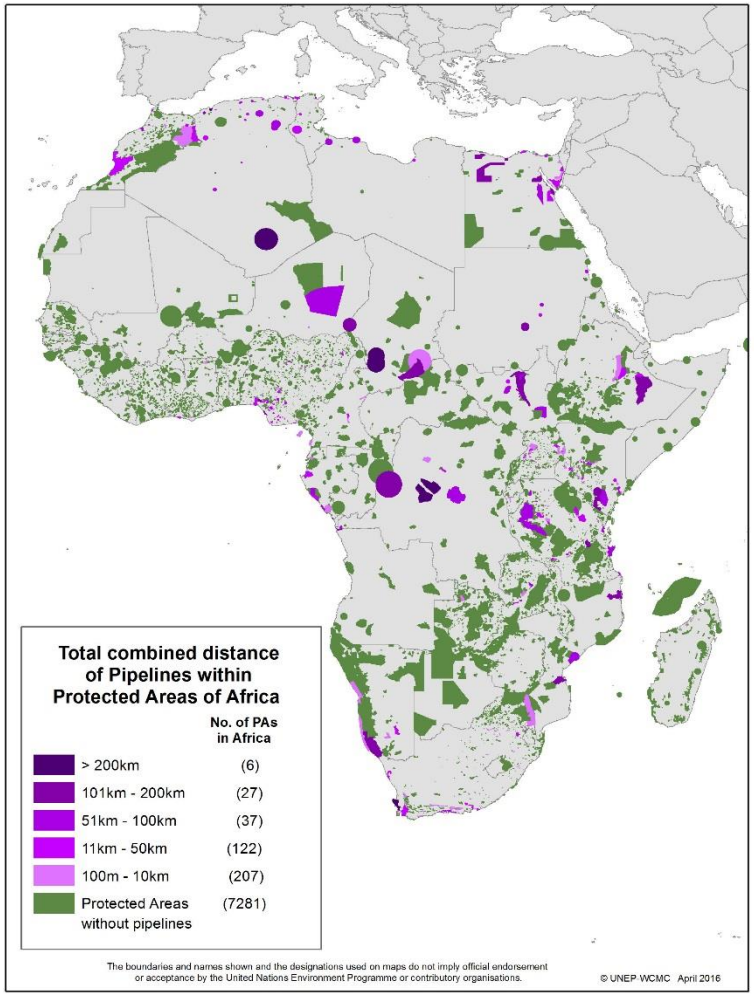
Further findings

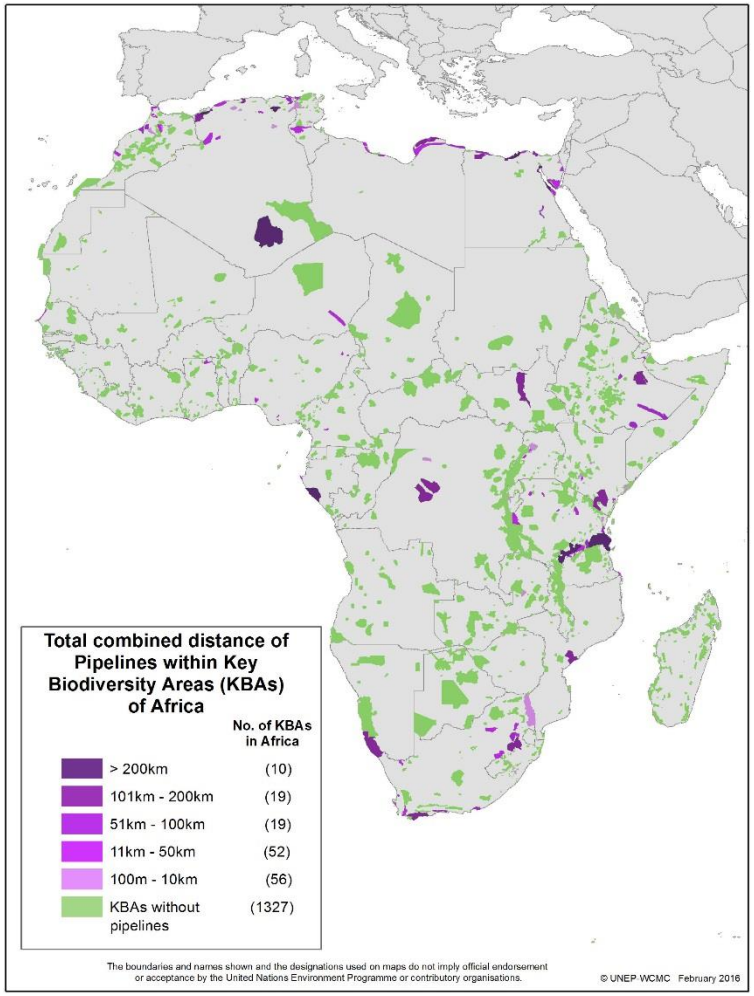


Internationally recognised protected areas overlap to a greater extent with contract blocks

In 72 % cases, the protected area was established prior to the contract being awarded, and 24 % cases the contract was awarded first

Pipeline intersects

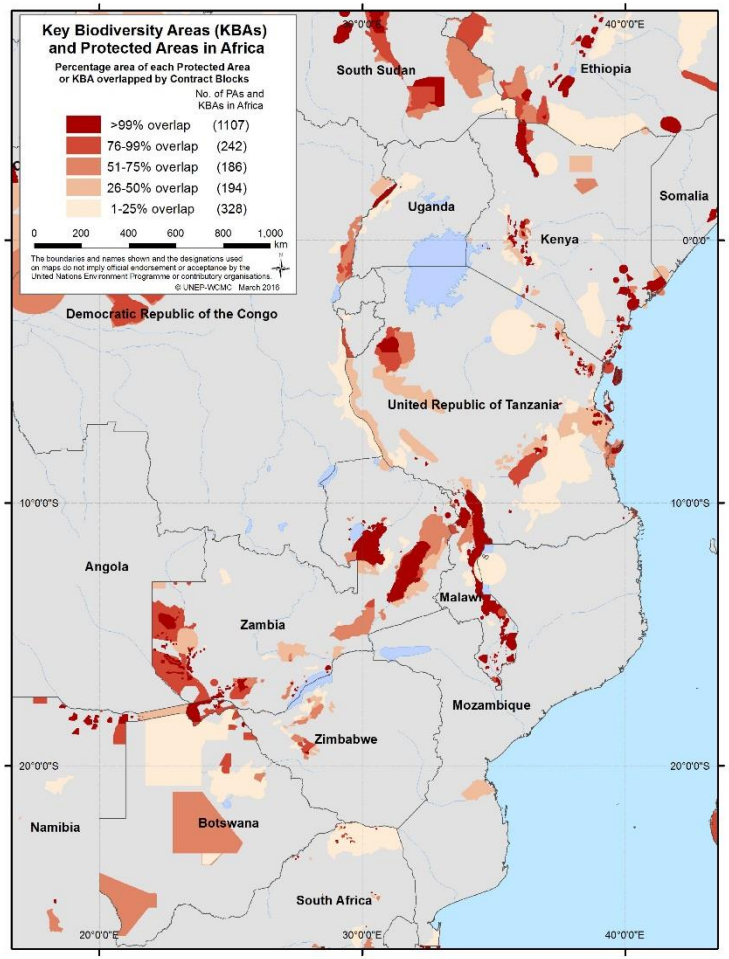




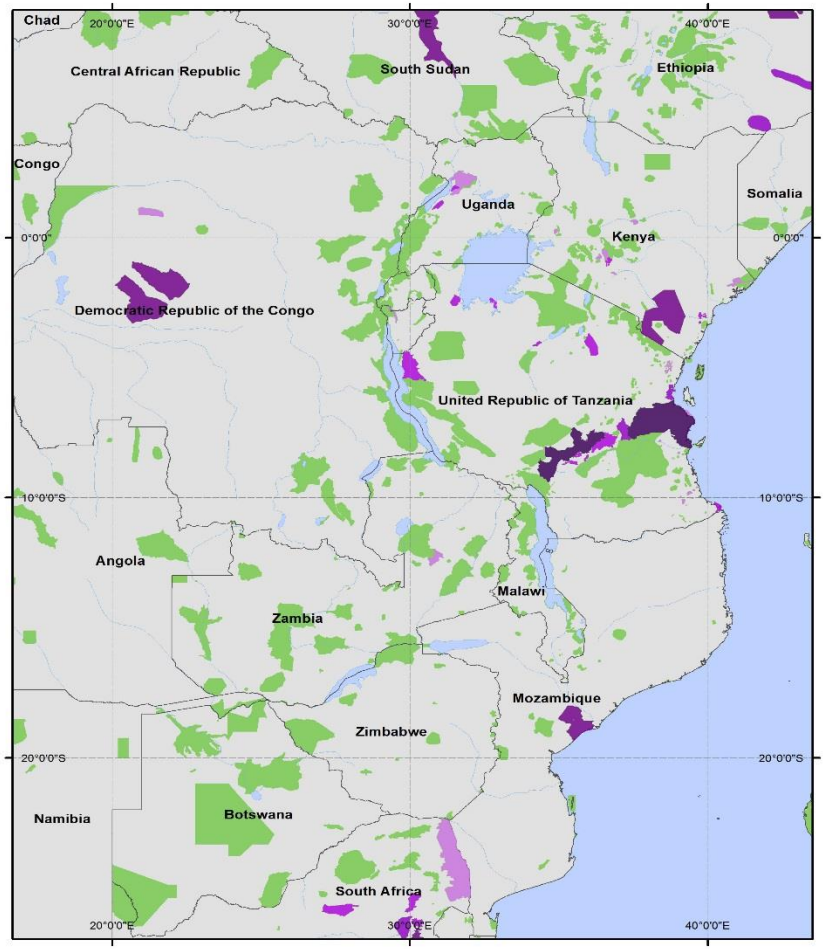
Greatest intersects in Algeria, Chad, Egypt, Nigeria, and Tanzania

East Africa

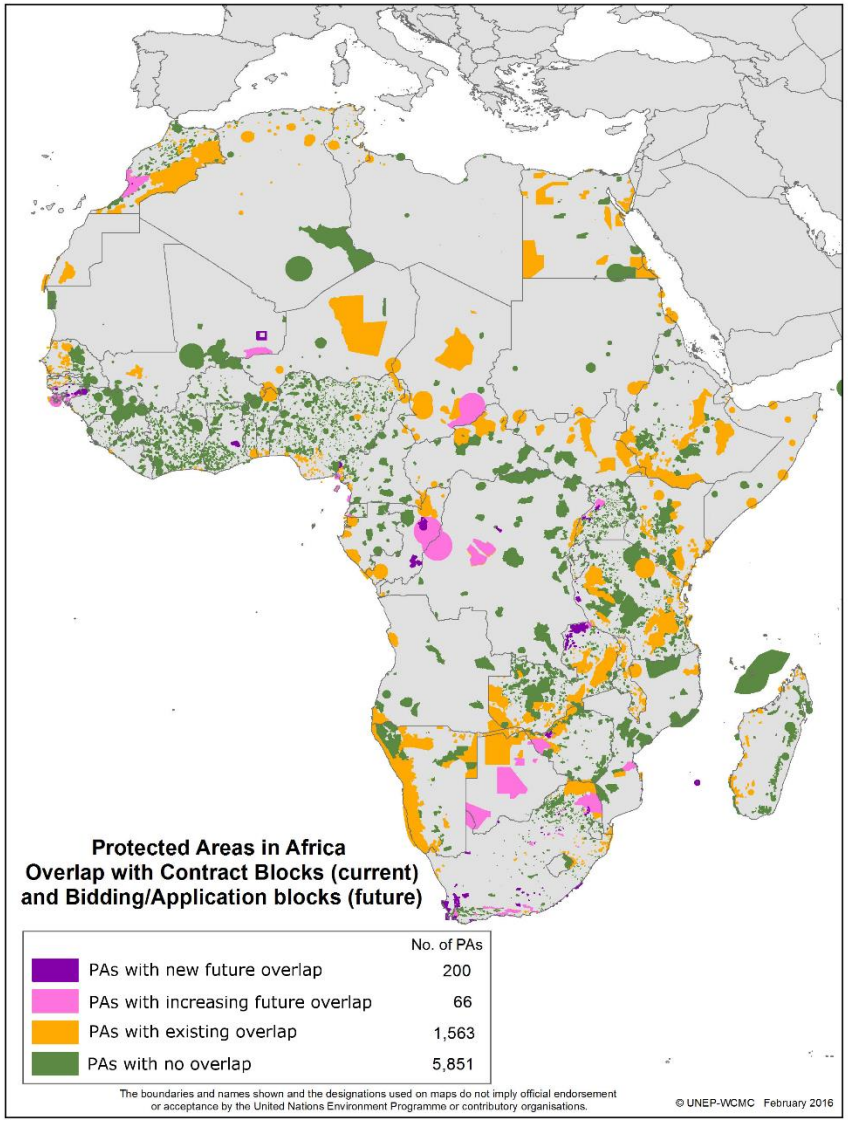
Contract blocks



Pipelines

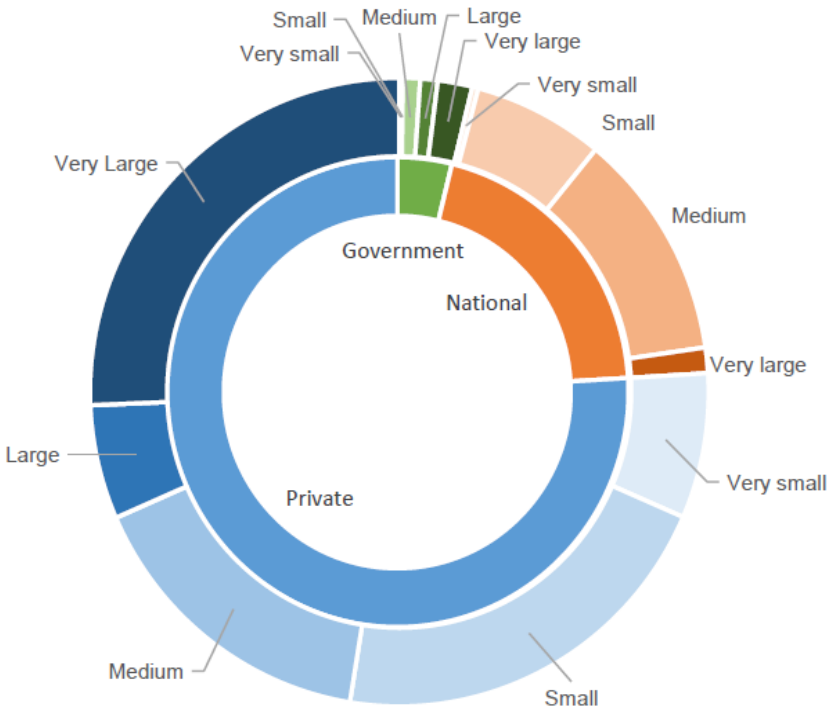


Future oil and gas development



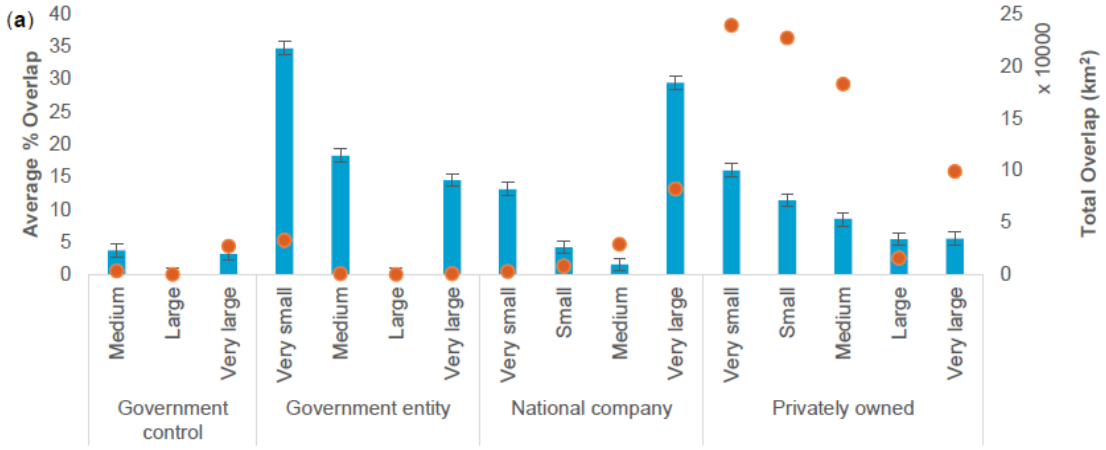
- 66 protected areas potentially facing increasing threat, 12 internationally recognised
- 200 protected areas potentially facing new threat
- Priority countries include Zambia, South Africa, Guinea-Bissau, and Uganda

Who is operating in Africa

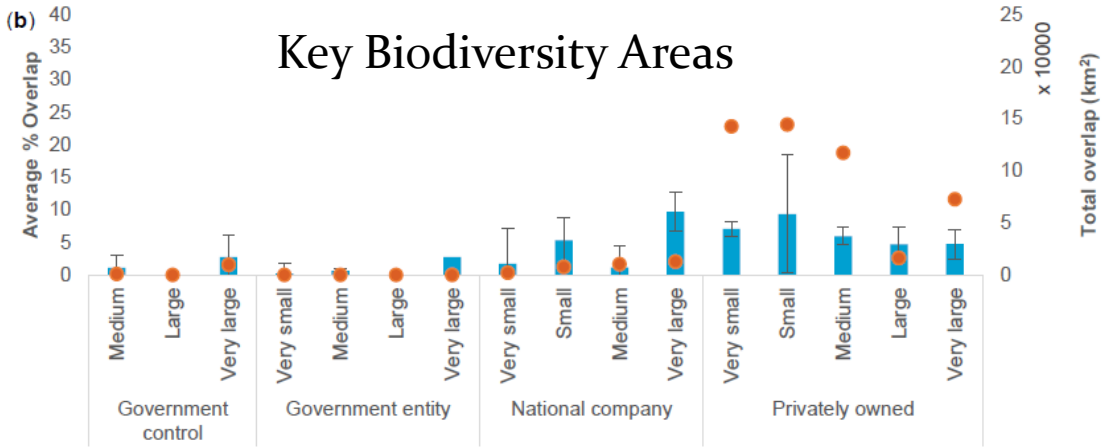


- **>500** commercial entities operating within contract blocks in Africa

Protected areas

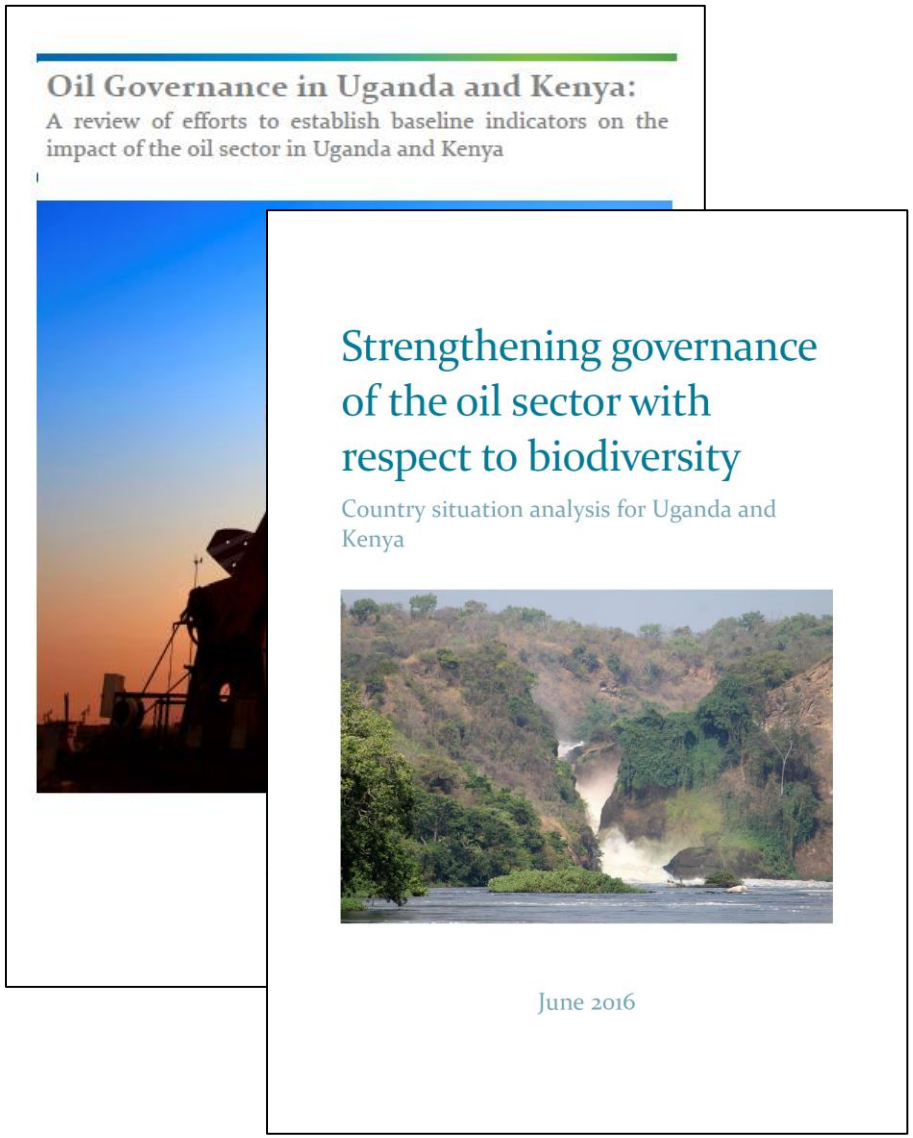


Key Biodiversity Areas



- Despite their number, large multinational companies operate in areas that overlap relatively little with biodiversity areas
- Greater efforts needed to engage single country companies and large national companies

Strengthening governance



Overarching structures

- Legal and policy frameworks
- Stakeholder coordination
- Transparency

Underlying foundations

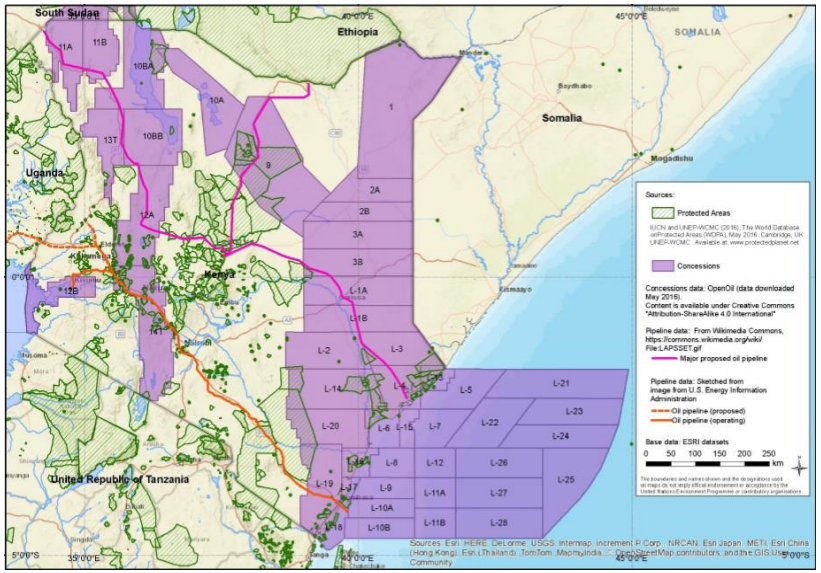
- Capacity
- Data, information and monitoring

Kenya

Commercial discoveries in 2012

Multiple oil companies

Oil discoveries outside protected areas



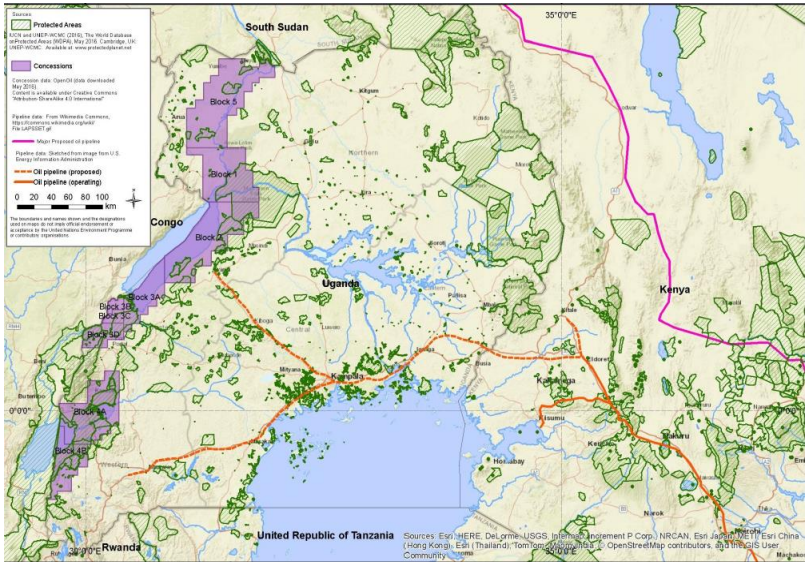
Overarching		Constitution (2010)
		Vision 2030 (2010)
		Country Government Act (2012) (as amended 2016)
		Draft National Policy for Sustainable Development [of...] Arid Lands
		Access to Information Bill (2015)
		Statute Law (Miscellaneous Amendments) Bill (2015)
		Public Benefit Organisation (PBO) Act (2013)
Oil Governance		Draft National Energy Policy (2014)
		Petroleum Exploration and Production Act (1986)
		Energy Act (2006)
		Energy Bill (2015)
		Mining Bill (2014)
		Natural Resources (Benefit Sharing) Bill (2014)
		Petroleum (Exploration, Devlpmnt & Production) Bill (2015)
		Petroleum Master Plan (PMP) (in dev.)
Biophysical	General Environment	Env. Mgt and Coordination Act (EMCA) (1999) and (2013)
		EIA and Audit Regulations (EIAAR) (2003)
		Draft EMCA (Deposit Bonds) Regulations (2014)
	Biodiversity	Wildlife Policy (2013)
		Wildlife Conservation and Management Act (2013)
		Land Act (2012)
	Water	Water Policy (1999)
		Water Act (2002)
		Wetland Policy (2015)
		Wetland Regulations (2009)
		Envt Mgt Coordination (Water Quality) Regulations (2006)
	Soils	EMCA (Waste Management) Regulations (2006)
	Air and Noise	EMCA (Noise [...]) Control Regulations (2009)
		EMCA (Air Quality Standards) Regulations (2007)
Socioeconomic (NB. Many safeguards incorporated in overarching legislation)	Livelihoods	National Land Commission Act (2012)
		Land Registration Act (2012)
		Community Land Bill (2015)
		[...] Assistance to Internally Displaced Persons [...] Act (2012)
	Human Rights	Bill of Rights (of the Constitution, 2010)
		Private Security Regulation Bill (2014)
	Cultural Heritage	National Museums and Heritage Act (2006)

Uganda

Commercial discoveries in 2006

3 oil companies

Oil discovered within protected areas



Overarching		Ugandan Constitution (1995) (as amended in 2005)
		National Development Plan (2015)
		Physical Development Plan for the Albertine Graben
		Access to Information Act (2005)
		Public Order Management Act (2013)
Oil Governance		National Oil & Gas Policy (2008)
		Oil and Gas Revenue Mgt Policy (2012)
		Public Finance (Amendment) Bill (2015)
		Petroleum (Upstream) Act (2013)
		Petroleum (Downstream) Act (2013)
Biophysical	General Environment	Draft National Environment Management Policy (2014)
		National Environment Act (1995)
		Environmental Impact Assessment Regs (1998)
	Biodiversity	Uganda Wildlife Policy (2014)
		Uganda Wildlife Act (1996)
		Forestry Policy (2001)
	Water	National Water Policy (1999)
		National Environment (Wetlands [etc] Mgt) Regs (2000)
		Public Health Act (1964)
		National Policy for the Cons. & Mgt Wetland Resources (1995)
	Waste and Soils	National Environment (Waste Mgt) Regs (1999) & draft Amendment (2014)
		National Environment ([...] Mgt of Soil Quality) Regs (2001)
		National Environment (Mountainous [...] Mgt) Regs (2000)
	Air and Noise	National Environment (Noise [...]) Regs (2003)
		Draft National Environment (Noise and Vibrations Standards and Control) Regulations (2013)
		Draft National Air Quality Regulations (2013)
Socioeconomic (NB. Many safeguards incorporated in overarching legislation)	General socioeconomic	National Health Policy (2010)
		National Gender Policy (2007)
	Livelihoods	National Fisheries Policy (2004)
		National Land Policy (2013)
		Land (amended) Act (2010)
		Land Acquisition Act (1965)
	Human Rights	Employment Act (2006)
	Cultural Heritage	Historical Monuments Act (1968)

Overarching structures

- Legal and policy frameworks
- Stakeholder coordination
- Transparency

- Rapid legal reform (but lacking robust underlying policies)
- Variable stakeholder consultation
- International best practice not reflected
- SEAs not yet fully enshrined in law and, along with EIAs, lack standards and guidance
- Insufficient inter- ministerial coordination
- Donor support not fully coordinated
- Lack of transparency – PSAs and bidding process

Underlying foundations

- Capacity
- Data, information and monitoring

- Knowledge gaps by government and civil society
- Understanding of international best practice low
- Lack of resources to monitor and enforce compliance
- Gaps in capacity development programmes
- Data availability poor, but company data represents some of the best available for oil rich regions
- Existing data not adequately accessible and not informing decisions

Key recommendations

- Embed international best practice within national laws and policies (regional harmonisation)
- Strengthen SEA and EIA requirements and standards
- Better resourcing of environmental regulators
- Improve coordination between ministries
- Increase transparency of sector
- Strengthen environmental component and reach of capacity development programs
- Improve data collection and accessibility





Implications for the private sector

- There is a need to recognise the wide array of company types and their relative ability to manage biodiversity
- Multinationals can and are playing an important role in:
  - developing and road testing best practice;
  - integrating best practice into national laws and policies;
  - building capacity (knowledge and awareness)
  - Generating biodiversity data

Implications for the private sector: recommendations

1. Continue to engage in capacity development, with a need to integrate environmental management
2. Continue to adopt best practice and drive its integration into national policies
3. Share examples of best practice to drive uptake
4. Engage in transparency initiatives e.g. EITI
5. Work with ministries to make biodiversity and EIA data accessible

Thank you

Credit: NEMA, Uganda