

# Redefining environmental impact assessments

**IT'S ALL ABOUT** process. The process of starting environmental and social impact assessments (ESIA) earlier in a project lifecycle. The process of integrating it more fully into project design and decision-making. The process of getting better commitment from middle management. The process of achieving more effective contractor management.

A project lifecycle can span decades, and impact assessment should not be a standalone snapshot at any one point in time – it's got to be an ongoing process, according to BP sustainability consultant **Ben Witchalls**.

Mr Witchalls leads the Social and Environmental Impact Assessment Task Force, launched in May 2003 by the **International Association of Oil & Gas Producers (OGP)**. The group aims to increase the efficiency and effectiveness of environmental impact assessments through all stages of development.

With oil and gas projects that follow the traditional project lifecycle, the ESIA slice of the project pie never takes shape until after the initial appraisal and selection phases. And that's a sign of bad integration.

"Too many impact assessments start too late, when many of the major commercial decisions have already been made," Mr Witchalls said.

And it shouldn't be that way. In this day and age, with growing public concern on drilling's impact on the environment and with governmental regulations getting ever stricter, assessment of environmental impact must begin early.

In fact, the OGP task force doesn't just advocate earlier impact assessments, it's pushing for a whole new approach to ESIA, and integration is key.

"We eventually moved away from impact assessment towards what we call impact management, which has a much more holistic view. It's managing our impact from the start of the project, at the business case evaluation, all the way through the end," Mr Witchalls said.

And that holistic approach is e-SHRIMP, or Environmental Social & Health Risk & Impact Management Process. In essence, it is a management tool that integrates the ESIA process and recommendations into project delivery plans.

## PROJECT TOOK OFF IN 2002

BP, which proposed and chaired the initiative, began working with OGP member companies on this project in 2002. A task force was eventually formed, consisting of companies that were "willing to put aside a significant amount of time and effort to undertake this activity," Mr Witchalls said. They ended up with a collection of companies including **Amerada Hess, BP, BG, Chevron, ConocoPhillips, ExxonMobil, Schlumberger, Shell, Statoil** and **Total**.

With monthly call-ins, a workshop held in Austria in November 2003, case studies, and work sessions held at BP offices in the UK, the OGP task force was well on its way to redefining the ESIA process.



**BP Sustainability Consultant Dr Ben Witchalls, who leads the Social and Environmental Impact Assessment Task Force, speaks about the project at the IADC Oil & Gas Activities in Environmentally Vulnerable Areas conference, held 12-14 October in Stavanger, Norway. The task force advocates a more holistic approach to environmental impact assessments.**

"We as a task force are trying to give practitioners and business managers an opportunity to know exactly what's expected of them," said Mr Witchalls, who graduated from Cardiff University in 1999 with an honors degree in civil engineering and who has recently completed a work-based doctorate looking at the role of cross-sector partnerships and sustainable development within the oil and gas industry.

A key tool in this new approach is a multi-layered toolbox. It identifies the key project lifecycle phases that are applicable to all project scenarios. The key objective is to integrate the main considerations for project managers with the key concerns of environmental, social and health (ESH) professionals and stakeholder concerns. The toolbox provides a register of deliverables that can be tracked, highlights tasks to be completed and ensures that the ESH appraisal process effectively supports key corporate decision gates.

An integral component of the toolbox is ESH appraisal, which includes stakeholder participation and identification of risks and opportunities, and also evaluates mitigation and proposes management options. Activities involve desktop or field-based research, or even hands-on work, to understand potential impacts.

The management process includes impact assessment but is more comprehensive because it identifies key activities and elements that fit within the overall health, social and environmental risk management process.

“The tool helps to identify the likely impacts at various stages of the project,” Mr Witchalls said. “If there is any confusion, the operating company and its contractors or joint ventures can act on that and make sure that all the conclusions from the various studies are addressed.... This process will also help raise awareness among contractors on how operating companies’ expectations are evolving.”

In each phase of the project lifecycle, there are key deliverables, a description of the issues, a checklist of the requirements and external links. Key deliverables is a list created for high-level managers so they can see what’s expected of them before they make a decision to proceed to the next level.

“They’re about what you need to have addressed, and have in place, before you move on to the next phase. So they’re checklists, if you’d like, for the project,” Mr Witchalls said. “What we hope is that all the items on that high-level checklist will be addressed and reviewed at the different decision gates.”

If used correctly, the toolbox should provide:

- High-level indication of key ESH requirements at different project phases (for the project management team);
- Practical tools for the practitioner;
- A record of progress made and key learning;
- Guidelines for and improved clarity around inclusion of industry ESH performance requirements into major contracts;
- Transparency in project decision-making, where appropriate;
- Ability to appropriate resources.

The OGP task force recognizes that the reality of trying to implement a process like this can be very challenging and can involve extra work, but can equally identify unnecessary work.

“I think the biggest challenge is not having the freedom to be able to undertake the process without all the constraints that the real world throws at you,” Mr Witchalls said, “such as pushed timelines, a lack of resources, legal constraints and complex joint ventures where it’s difficult to ascertain who’s actually directly responsible for certain parts of environmental and social risks.”

But corporate sustainability demands that companies try to integrate the world of policy into the world of reality. And while there are difficulties to overcome, there also are rewards to be had.

“Most importantly, the benefits would be in reducing the risks of creating or compounding negative impacts on society and the environment,” he said. “And that means it should be operating in a safer environment, with clued-up and more engaged stakeholders.

“Consequently, big showstoppers that can delay a project or cost a lot of money are less likely. If you follow a clear and logical process, any major obstacles to achieving your goals should have been identified and addressed early on so that you don’t have unexpected surprises, and you will therefore have a more successful project.”

And at BP, employees and management at all levels are working to implement this new approach to ESIA.

“At BP, we are keen to be seen as a leader in this,” Mr Witchalls said. “BP is coming up with its own environmental impact management process, which additionally involves a high-level screening assessment before starting a project so we can be much clearer on how sensitive the receiving environment is in which we’re planning on undertaking activities. This enables us to respond appropriately, when planning timescales and resources.”

And other OGP companies are now following the e-SHRIMP model in their impact assessment approaches, he noted.

Although Mr Witchalls was reluctant to say he’s seen great improvement in the industry on environmental and social management, he was absolute about the attitude improvements he’s seen and the big potential for change.

“The E&S part of a project is always difficult to measure. A key part of e-SHRIMP is a drive for continued improvement, and that is happening,” he said. “There is certainly greater awareness and enthusiasm to try and get the social and environmental part of the project right, which in turn will benefit the wider environment and stakeholder community.”

The OGP task force continues to actively push the project along, with ongoing internal consultation and worked-through examples, external consultation from the fourth quarter of 2005 through the first quarter of 2006, a working draft to be web-enabled during the first quarter of ’06, and feedback from live projects in the second quarter of ’06.

To be involved in the consultation, contact the OGP at [reception@ogp.org.uk](mailto:reception@ogp.org.uk) or Mr Witchalls at [ben.witchalls@uk.bp.com](mailto:ben.witchalls@uk.bp.com). ■