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Key Lessons of Environmental Permitting

Namibia Oil and Gas Conference
20-22 August 2024

Masterclass A

20 August 2024





Agenda

Introduction

✶ Brief ESIA Overview

Universal ESIA Observations

O&G- and Namibia-Specific Observations

Key Implications / Lessons

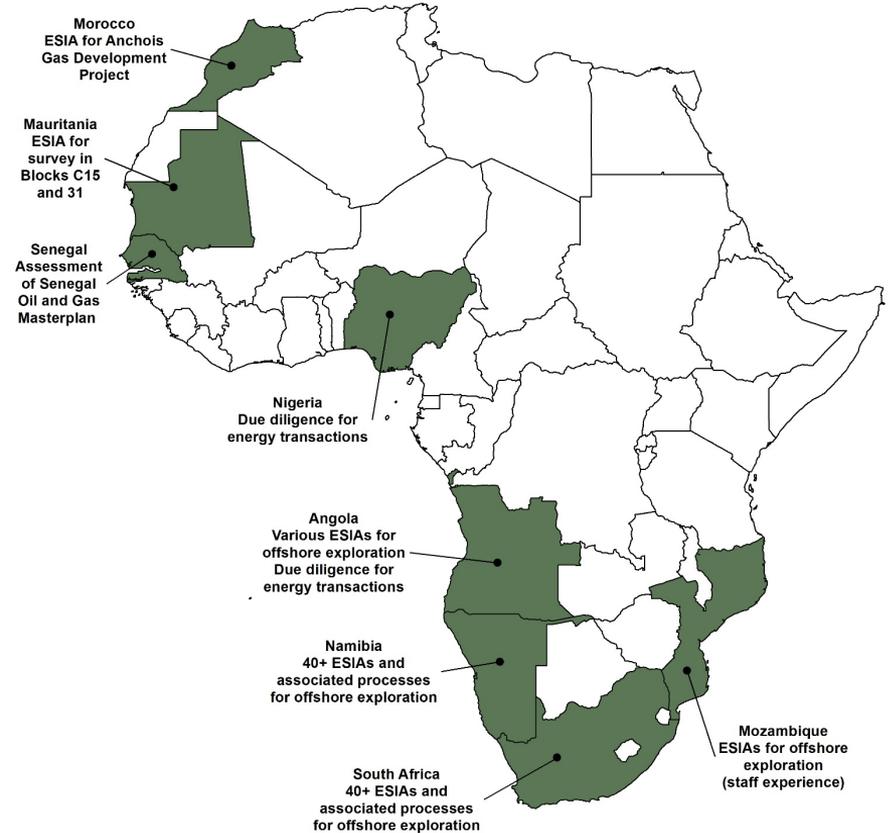


Introduction and ESIA Overview



Introduction

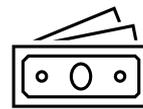
- SLR staff conducted 100+ ESIA's for offshore exploration and production in southern Africa in ~20 years
- Requirements vary geographically, by proponent and over time
- Commonalities and key lessons to be aware of





ESIA – Overview of Purpose

- Purpose:
 - Identify and assess potentially significant biophysical and socioeconomic impacts
 - Determine mitigation and whether impacts can be reduced to acceptable levels
- Drivers:
 - Legal requirement – obtain authorisation from national authorities (if required)
 - Lender / investor requirement
 - Corporate (internal) requirement
- Initiator:
 - Proponent commissions EIA from independent external party





ESIA – Overview of Process

- Process:
 - Structured process guided by national requirements and / or international guidelines (IFC and various sector-specific guidelines)



Department of Environmental Affairs
MINISTRY OF ENVIRONMENT AND TOURISM

MINISTRY OF ENVIRONMENT AND TOURISM	
No. 30	2011
ENVIRONMENTAL IMPACT ASSESSMENT REGULATIONS: ENVIRONMENTAL MANAGEMENT ACT, 2007	
Under section 56 of the Environmental Management Act, 2007 (Act No. 7 of 2007), I have made the regulations set out in the Schedule.	



Performance Standards on Environmental and Social Sustainability

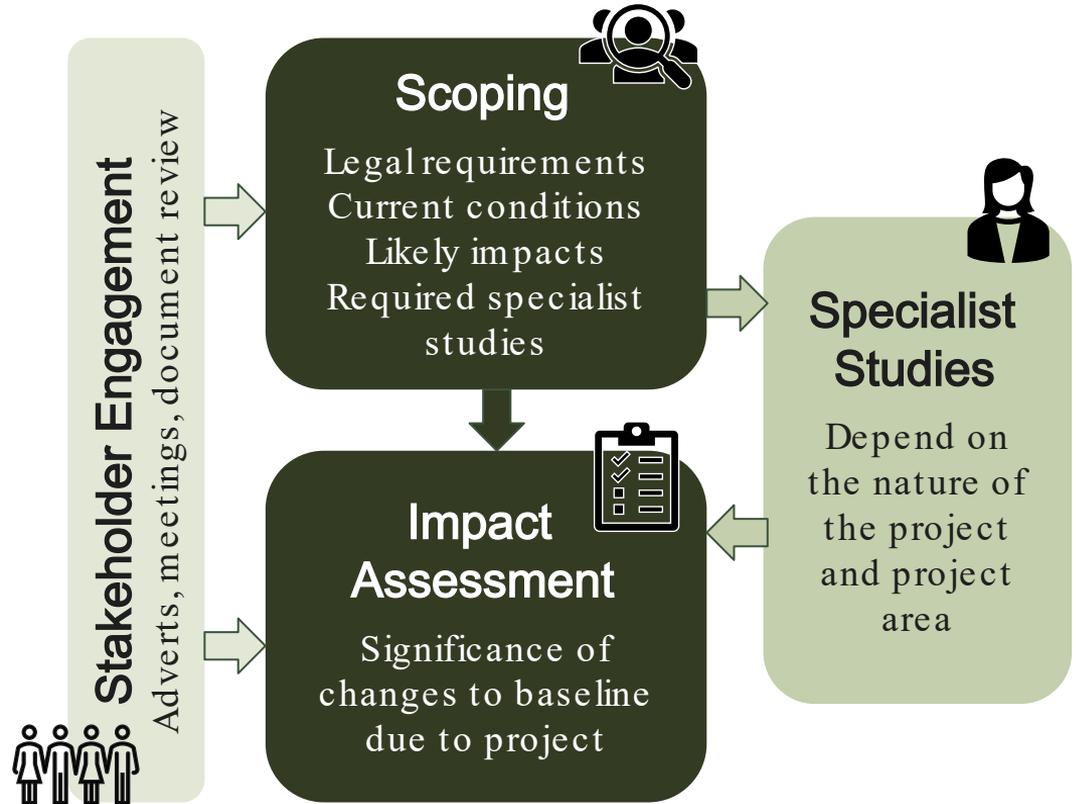
January 1, 2012

HOW TO APPLY ONLINE FOR AN
**ENVIRONMENTAL
CLEARANCE
CERTIFICATE (ECC)**



ESIA – Overview of Process

- Typical components:
 - Scoping and Impact assessment phases
 - Specialist input – biophysical, ecological and socio-economic inputs
 - Stakeholder engagement (Public participation) at various discrete stage(s) – actively seeking comment





Universal ESIA Observations



ESIAs Warrant Attention

- Environmental permits (via ESIA processes) are critical milestones in any project programme
- Critical ESIA aspects to be aware of:
 - Highly visible
 - Takes time
 - Commencement is driven by project information
 - Approach must be project -specific
 - Stakeholder engagement can be complex
 - Process must be adaptable
 - Goal posts can change
 - ESMP determines later project execution

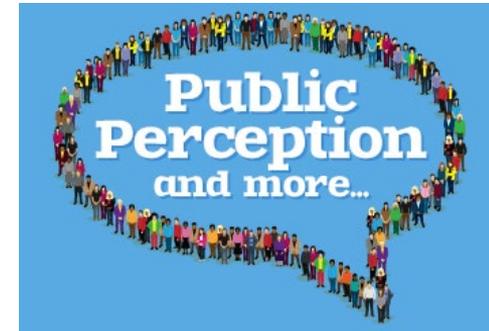




ESIA Process (Project) Visibility

- ESIA's are highly visible– they actively seek stakeholder participation
- Often first time that stakeholders hear about a project
- Few other opportunities to give direct input into a project
- Projects may attract significant attention, questions and expectations

➔ *Ensure project (team) is ready for possible public scrutiny*





ESIA Duration

- ESIAs take time (typically 8-14 months)
- Little control over key time -consuming steps:
 - Modelling (~1/4 of process time)
 - Stakeholder engagement (~1/4 of process time)
 - Authority review (~1/3 of process time)
- Unexpected timeline extensions can arise from:
 - Lack of technical information to inform assessment (e.g. modelling)
 - Complexities in stakeholder engagement
 - Lack of authority capacity / availability



- ➡ ***Build sufficient time into project schedule***
- ➡ ***Have sufficient project information***
- ➡ ***Possibly liaise with authorities and stakeholders beforehand***

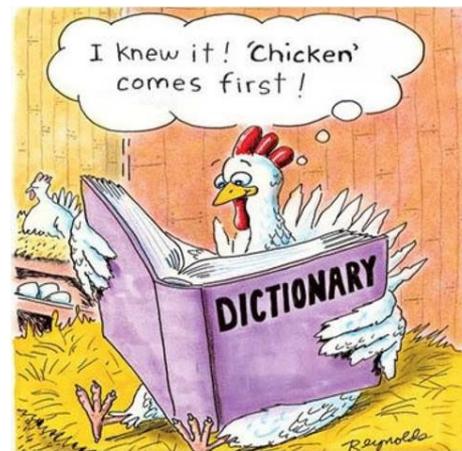


ESIA Start (Project information – not required approval timing)

- Need sufficient project information to determine impacts:
Project area, technical specifications (in- and outputs) – post PFS stage
- Also need to retain flexibility to accommodate mitigation:



- Project description determines what is authorised:
 - Too specific / narrow – higher likelihood of amendments later
 - Too generic / large – higher likelihood of significant (but unrealistic) impacts



➔ ***Project needs to be sufficiently advanced to define what it entails***



ESIA Approach

- Important that ESIA is done to highest (appropriate) standards, notably:

- Appropriate specialist studies and reputable specialists



- Appropriate stakeholder engagement – there are minimum requirements, but actual level depends on local and project circumstances



- Significance of predicted impacts
- Presence and views of community
- History of sector and applicant

➔ ***Might need to exceed minimum requirements / standards***





ESIA Stakeholder Engagement



- Purpose is to:
 - Identify (potentially conflicting) needs, preferences and values of stakeholders
 - Transparently share and discuss information on the project and assessment outcomes
 - Identify effective mitigating or enhancement measures
 - Nature of project, potential impacts and stakeholders determine consultation: format, languages, locations, timing
 - Potential challenges associated with stakeholder engagement:
 - Voluntary (people may choose not to engage)
 - Requires stakeholder disposable time and knowledge (unevenly distributed)
 - Most effective when held in good faith (though could be used to influence project, communities, policies)
 - Often attracts detractors more than supporters (skewed picture of “public opinion”)
 - Unified view or support is unrealistic given variation of interests within and between communities
- ➡ ***Ensure process caters to identified stakeholders and is defensible and adaptable***
- ➡ ***Prepare to engage key stakeholders outside of ESIA process if necessary***



Adaptable ESIA Processes

- ESIA processes must be well scoped, but outcome is not foregone conclusion:
 - Stakeholders may raise new issues
 - Global events may put impacts / projects in a new light
 - Research may contribute new findings
 - Baseline may change during process (esp. lengthy processes)
- ➡ ***Retain some flexibility in project timing, budget and design***

Expect the
Unexpected





ESIA Goal Posts Can Change

- Project-types can cycle through “popularity”
- Thresholds (“acceptable change”) may change (*new standards, science, expectations, norms*)
- What happens elsewhere could indicate trends / influence the process
- Mixing of tangible local and global concerns (*e.g. local noise vs global GHG – EIA cannot solve global concerns at project level*)
- Measurable vs intangible aspects (*e.g. noise levels vs cultural heritage*)
- Appeal decisions and precedents from other ESIA's change expectations and standards

➡ *Requirements for same project type may change over time*

➡ *Delays in project implementation risk baseline changes that put previous authorisations at risk*



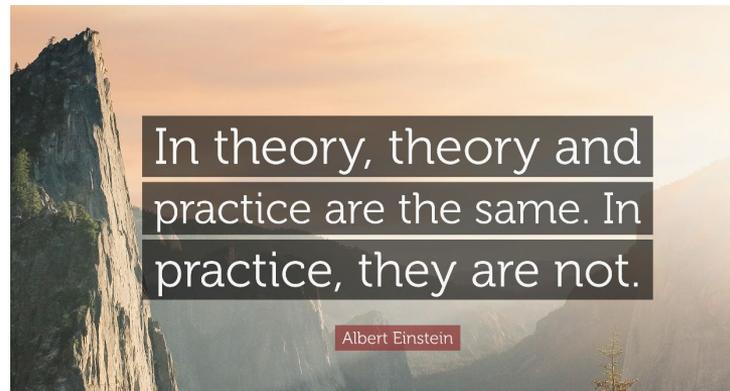


ESMP Is Critical

- Mitigation and monitoring measures are captured in Environmental and Social Management Plan (ESMP)
- ESMP accompanies project during entire lifecycle and determines what can(not) be done
- Unrealistic mitigation measures are a risk to assessment and project

➔ ***Ensure measures are clear and realistic from an operational perspective***
(specialists are not technical experts)

➔ ***Contribute suggestions on how identified impacts can be practically addressed***





O&G- and Namibia-Specific Observations



General O&G ESIA Context

- Oil and Gas projects are perceived to clash with global decarbonisation drive
 - Can attract international attention
 - Project need may be queried (and local vs global need)
- Energy mix and security are highly complex topics and strategies are often poorly communicated and understood
- ESIA is project-specific and cannot solve global concerns / policy strategy at project level

- ➔ *Prepare for broader context questions*
- ➔ *Consider providing information on any transition -projects / strategy*





Namibia O&G ESIA Context

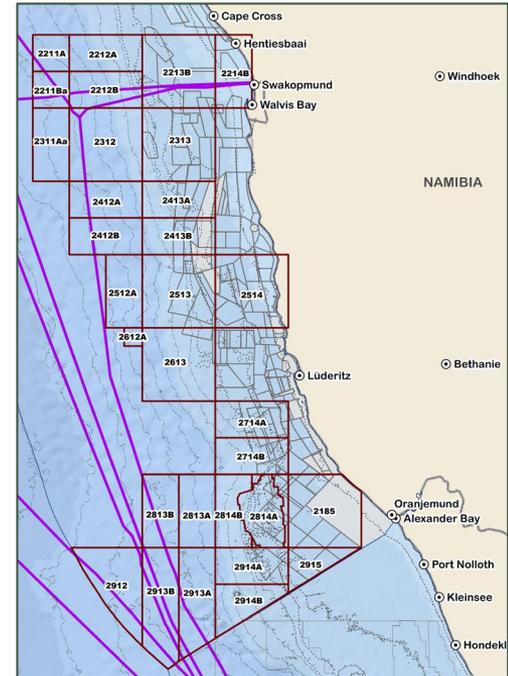
- Sector is new to the region
- Limited authority prescriptions on detailed ESIA approach
- General government support / policy alignment
- Stakeholders generally supportive or agnostic
- National and international attention likely to increase with energy mega -projects
- New issues may be emerging
- Possibly increasing authority capacity constraints with increase in permit applications
- Cumulative assessment more important with more (and longer -term) activities
- Local content requirements will increase

➡ *Provide objective explanations / support capacity building*

➡ *Prepare for potentially increasing complexity of ESIA's*

➡ *Ensure defensible ESIA approach*

➡ *Engage with authorities on approach for highly specialised studies*

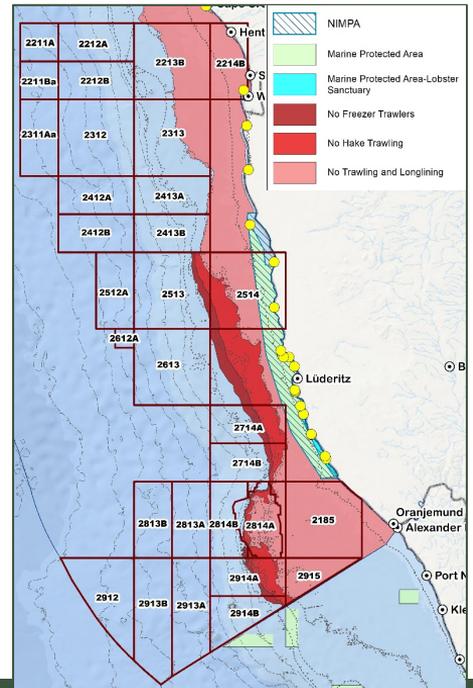
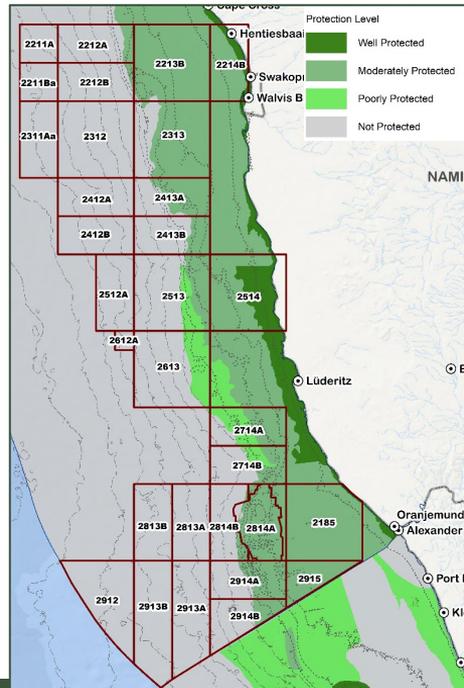
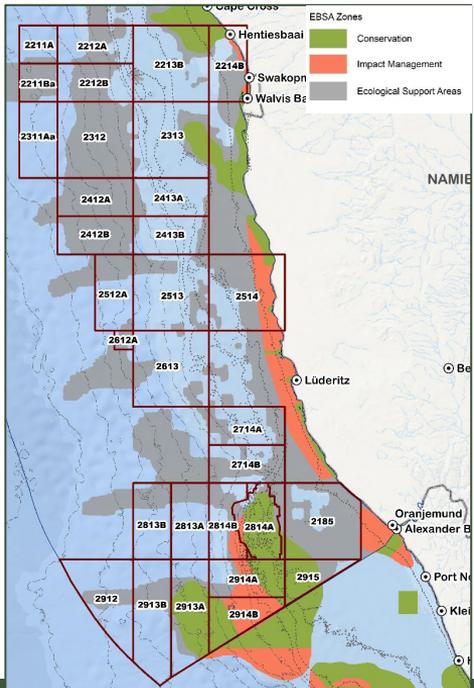
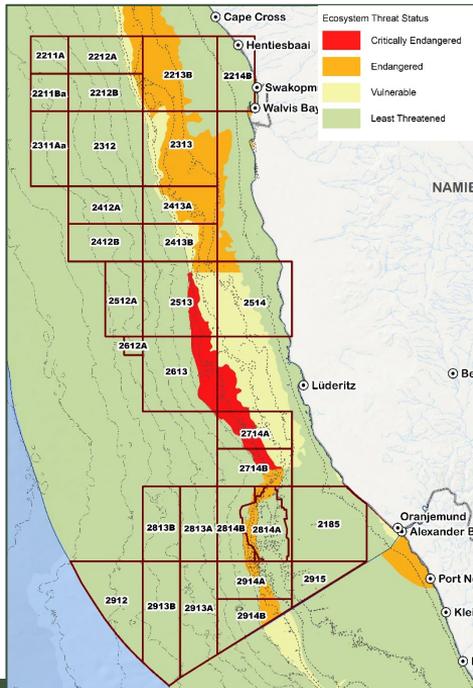




Namibia O&G ESIA Context: Biophysical Sensitivities

- Various offshore sensitivities, but O&G activities have limited physical footprint – assessment focus on impacts of noise, deposition footprints and possible spills
- Modelling of noise, drilling discharge dispersion and oil spill dispersion informs IA

- ➔ *Very technical lengthy modelling studies*
- ➔ *Some sensitive areas (e.g. sea mnt.)*
- ➔ *May be managed through exclusion areas / periods*



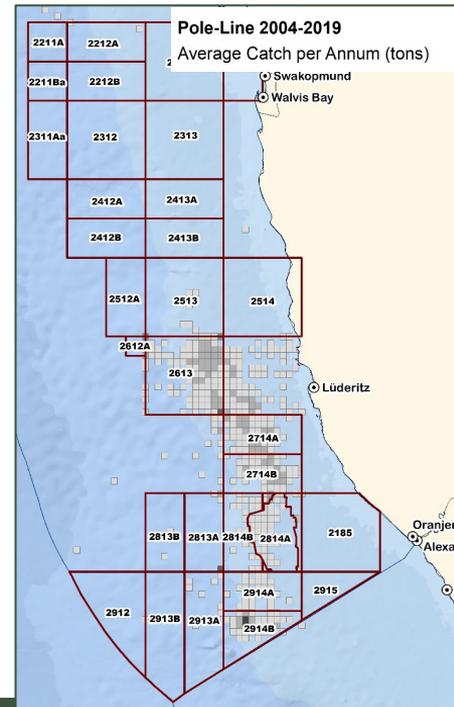
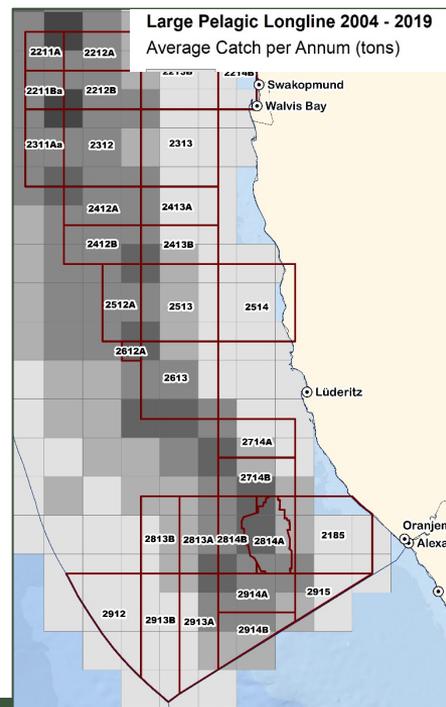
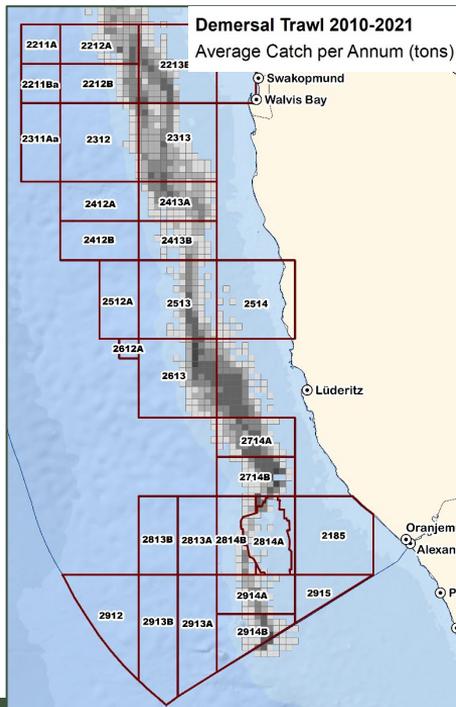
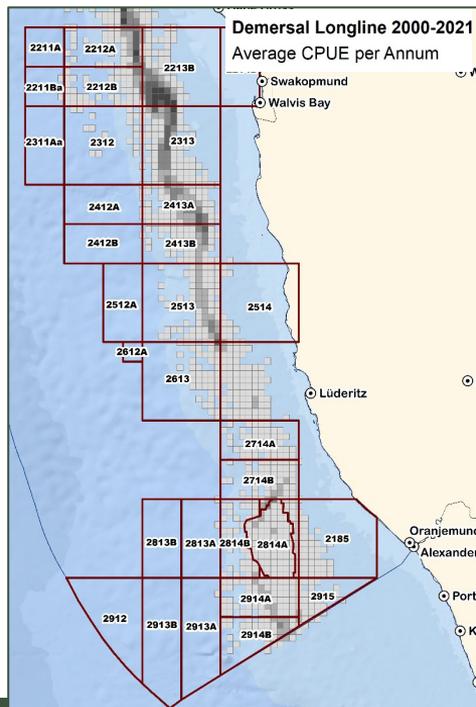


Namibia O&G ESIA Context: SocioEconomic Sensitivities

- O&G activities are offshore and need limited local resources – assessment focus fisheries
- Possibly unrealistic expectations on (direct) employment
- Economy-wide impacts can be modelled but depend on many (external) variables

➔ *Acknowledge need for and means of co-existence (e.g. exclusion areas / periods)*

➔ *Manage expectations*





Key Implications / Lessons



Implications for Proponents- General



- Ensure project (team) is ready for possible public scrutiny (able to explain project motivation and context, but avoid overpromising)



- Build sufficient time for ESIA into overall project programme (a rushed process may backfire)



- Have sufficient project information – area, technical specs, inputs/outputs
- Possibly liaise with authorities and stakeholders beforehand / outside of ESIA process



- Project-specific approach might need to exceed minimum requirements / standards
- Ensure process caters to identified stakeholders and is defensible – even retrospectively



- Retain some flexibility in overall project timing, budget and design
- Requirements for same project type may change over time



- Delays in project implementation risk baseline changes that put previous authorisations at risk



- Ensure mitigation measures are clear and realistic from an operational perspective
- Contribute suggestions on how identified impacts can be practically addressed



Implications for Proponents– Namibia O&G



- Provide objective and factual explanations of technical aspects and experience elsewhere



- Support capacity and capability building



- Prepare for broader context questions

- Consider providing information on any company transition projects / strategy



- Prepare for potentially increasing complexity of ESIA's

- Ensure process is defensible – even retrospectively



- Engage with authorities on local content approach for “once-off” specialised studies



- Expect technical and somewhat lengthy modelling studies

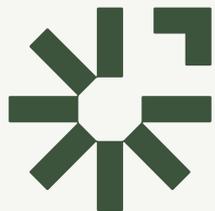
- Expect exclusions around key sensitive areas or periods



- Acknowledge need for and means of co -existence of offshore activities

- Manage expectations of local and national economic benefits





Making
Sustainability
Happen

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Thank you



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