

## **SECOND INTERNATIONAL EXPERT MEETING IN ENVIRONMENTAL PRACTICES IN OIL AND GAS ACTIVITIES**

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Stavanger 29-30 June 2000

Your Excellency Ms. Siri Bjerke, Minister of the Environment of Norway; Mr. Arve Thorvik, Director World Business Council for Sustainable Development; Mr. Per Shive, Chairman of this meeting, Ladies and Gentlemen,

It is a pleasure for me to represent UNEP at this Second International Expert Meeting in Environmental Practices in Oil and Gas Activities, and speak to you about the work undertaken by UNEP through the regional seas conventions and action plans in responding to marine pollution – and the wider work also relating to the oil and gas industry.

UNEP's work in environment spans all the major issues and sectors relevant to our common future. Oil and gas is a key industrial sector for many countries, and much of UNEP's work is very relevant to how this industry can meet the sustainable development challenge in the years ahead.

Established in 1972 after the Stockholm Conference on Man and The Environment, UNEP has assumed a key role in the monitoring of the global environment, through for example the successful Global Environmental Outlook (GEO) reports, the establishment of effective dialogue on the broad policy options that address the issues outlined in such reports, and to help countries and industries to implement the most suitable solutions in each case.

With respect to the marine environment, the establishment of the Regional Seas Programmes has been one of the main vehicles of delivering these messages to offshore operators, and I would like to commence by explaining this area of our activity first.

There are today seventeen regional seas programmes across the globe, including two new regional seas programmes that are currently being negotiated: the Northeast Pacific and the upper Southwest Atlantic. The fourteen involving developing countries have all been negotiated or promoted under the auspices of UNEP.

The others-- the Helsinki Convention for the Baltic Sea, the OSPAR Convention for the Northeast Atlantic and the Protection of the Arctic Marine Environment (PAME)-- are partner programmes that cooperate with the UNEP brokered regional seas conventions and action plans. This was evidenced recently at the Malmö Global Ministerial Environment Forum by the signing of the twinning arrangement between the Helsinki Commission for the Baltic Sea and the Nairobi Convention on the protection of the marine and coastal environment of East Africa. Through this arrangement, the Baltic Commission will provide the younger less developed Nairobi Convention with strategic technical cooperation in areas such as land-based sources of pollution.

In referring to the regional seas conventions and action plans, it is important to take note that several predate the global environmental conventions, excluding the Convention on International Trade of Endangered Species (CITES), and date back to the mid-1970s and the early 1980s. Eight were adopted between 1975 and 1981, the oldest being the Barcelona Convention for the Mediterranean Sea. Twenty-five years ago the regional seas conventions and action plans were sectoral in nature, focusing primarily on marine pollution. Today they have evolved into regional seas programmes that are multi-sectarian, addressing land-based sources of pollution, protection and sustainable use of marine biodiversity and sustainable fisheries within the context of integrated coastal and marine management.

The regional seas conventions and action plans have been complimentary instruments to the United Nations Convention on the Law of the Sea. They have also proven to be important complementary instruments to global environmental conventions and related international agreements. This has been reflected by the development of three

generations of protocols under these conventions. The first were, of course, the oil spill protocols that are closely tied to the IMO marine pollution conventions. A second generation of protocols on specially protected areas and wildlife, more commonly known as the SPAWs followed that are linked to CITES, the Convention on Biological Diversity (CBD) and the Convention on Migratory Species (CMS). The protocols on land-based sources of pollution are the latest generation of regional seas protocols that are being developed and are being implemented in close collaboration with the Global Programme of Action for the Protection of the Marine Environment from Land-based Sources of Pollution. Last year in September in Aruba the Parties to the Cartagena Convention for the Wider Caribbean adopted the world's strongest international legally-binding instrument on land-based sources of pollution with specific targets and deadlines for their achievement.

Turning specifically to the subject of marine pollution, much of the work of the regional seas conventions and action plans has been focused in four areas: principally oil spills and land-based sources of pollution and, to a lesser extent, marine dumping and exploitation of the continental shelf and seabed.

On oil spills, of the eleven regional seas programmes that are underpinned by conventions, nine have protocols with their corresponding contingency plans for combating oil pollution and responding to oil spills, while the other two address the issue within their conventions. These protocols are implemented in close collaboration with IMO and the Interagency Programme on Marine Pollution (IAP) comprised of UNEP, IOC/UNESCO and the International Atomic Energy Agency (IAEA).

For example, since 1999 the IMO secretariat has been working on the development of a regional contingency plan for combating major pollution incidents in the Black Sea that is linked to the Protocol on Cooperation in Combating Pollution of the Black Sea Marine Environment by Oil and Other Harmful Substances in Emergency Situations under the Bucharest Convention. At the same time, IAP is providing technical assistance to the Bucharest Convention member countries in monitoring and analyzing marine pollution.

In other cases, such as the Jeddah Convention for the Red Sea and Gulf of Aden, the Global Environment Facility (GEF) is providing resources that bolster the capacity of Governments in implementing their protocol on emergencies from oil spills and other harmful substances. Four major results are expected from this project that is also supported by IMO and UNEP:

- The development and implementation of a Regional Oil Spill Contingency Plan,
- The establishment of a Regional Marine Emergency Mutual Aid Centre at Hurghada, Egypt,
- The development of Sub-Regional Marine Emergency Mutual Aid Centres, and
- the strengthening of the Existing Sub-Regional Emergency Aid Centre in Djibouti.

Where resources are available, some regional seas conventions have established regional activity centres (RACs) dedicated to the implementation of the oil spill protocols. The Barcelona Convention set up its Regional Marine Pollution Emergency Response Centre (REMPEC) as far back as 1976 in Valletta, Malta. More recently, the Parties to the Cartagena Convention earlier this year decided to formally establish an oil spill response centre in Curacao as an official RAC, although it has been operating on a temporary basis for five years with the support of IMO and the Governments of the Netherlands and the United States. Activities undertaken by the Caribbean response centre include: (1) the updating of national contingency plans (NCPs), including environmental sensitivity index maps, (2) cooperation and coordination with the oil industry, (3) the development and implementation of supportive national legislation, and (4) NCP-related training.

On the issue of land-based sources of pollution, all regional seas conventions and action plans are involved, although at different levels of participation. Several conventions--the Barcelona Convention, the Cartagena Convention, the Bucharest Convention, the Kuwait Convention and the Lima Convention for the Southeast Pacific have LBS protocols. Others, such as the Nairobi Convention for the marine and coastal environment of East Africa and the Abidjan Convention for the marine and coastal environment of West and Central Africa are commencing negotiations on LBS protocols.

In adopting the Global Programme of Action for the Protection of the Marine Environment from Land-based Sources of Pollution at the Washington Conference in October 1995, the regional seas programmes were expected to

be the principal implementation instruments of the GPA. As the Secretariat of the GPA, UNEP through its Coordination Office in The Hague, has been working closely with the regional seas programmes in integrating the GPA into their respective programmes of work. Although, oil is one of the nine land-based sources of pollution addressed by the GPA, priority has for the moment been given to tackling pollution from domestic sewage. We expect, however, that the GPA will return to the issue of oil pollution in due course.

UNEP is working closely with regional seas programmes in the formulation and implementation of GEF-funded projects on land-based sources of pollution. Projects are currently being developed for the Northwest Pacific Action Plan (NOWPAP) and the Noumea Convention for the South Pacific.

Three conventions--Barcelona, Noumea and Bucharest--have adopted protocols on dumping from ships and aircraft.

On the specific subject of this meeting, only two of the twelve regional seas programmes brokered by UNEP have protocols on offshore exploration and exploitation--the Barcelona and Kuwait Conventions. A third, the Abidjan Convention for West and Central Africa has programmed the initiation of negotiations for a protocol in this area. To this end, we are hoping to enlist the technical cooperation of the Barcelona and OSPAR Conventions.

The protocol of the Barcelona Convention was adopted in Madrid in 1994 but has yet to enter into force. The protocol will introduce an authorization system for exploration and exploitation taking into account international standards and practice, as well as potential environmental impacts. Sanctions will be prescribed for breach of obligations and non-fulfillment of conditions. It will also require the use of environmentally effective techniques for managing wastes and using, storing and discharging harmful or noxious substances and materials. These are listed in Annexes 1 and 2. Standards for the disposal of oil and oily mixtures and drilling fluids and cuttings are addressed in Article 10 and Annex V. Provisions for the removal of installations are also included. Once it enters into force, Parties will address the issue of rules and procedures for determining liability and compensation.

The protocol will be operationally linked to the Protocol concerning Cooperation in Combating Pollution of the Mediterranean Sea by Oil and Other Harmful Substances in Cases of Emergency, since the provisions of the latter will be implemented *mutatis mutandis* in cases of emergency. Operators in charge of installations for exploration and exploitation will be required to have contingency plans to combat accidental pollution that will have to be coordinated with the contingency plan of the Contracting Party established under the oil pollution protocol.

The protocol will also be linked to the Protocol concerning Mediterranean Specially Protected Area in that it calls for the undertaking of special measures to prevent pollution in these areas arising from offshore exploration and exploitation.

The close linkages between the protocol and existing protocols are indicative and reflective of the integrated approach that has become characteristic of the work undertaken by the Parties to the Barcelona Convention.

A significant element of the protocol, contained in article 24, is the recognition of the need to provide developing countries with scientific and technical assistance, particularly in the fields of science, law, education and technology for preventing, abating, combating and controlling pollution from offshore exploration and exploitation.

A quick review of several regional seas programmes, excluding the Barcelona and Kuwait Conventions, involving developing countries reveals that the issue of offshore exploration and exploitation is not being dealt with in a systematic manner. In the case of the East Asian Seas Action Plan, for example, it was found that hydrocarbon pollution did not figure among the priorities of the seven participating countries in the preparation of a transboundary diagnostic analysis of the South China Sea. Malaysia was by far the most concerned, largely because of the Malacca Straits shipping lane. The information base on the subject was found to be inadequate.

The issue of impacts of oil on the marine environment is addressed by the Cartagena Convention largely through two of its protocols: the Protocol concerning Marine Pollution from Land-Based Sources and Activities in the Wider Caribbean Region and the Protocol concerning Cooperation in Combating Oil Spills in the Wider Caribbean Region. As in the case of the East Asian Seas Action Plan, the Caribbean programme does not currently

have regional information from pollution from offshore sources. However, several Parties are concerned with overall oil production and refining, including Colombia, Mexico, Venezuela, Trinidad and Tobago and the United States.

While I shall not go into greater detail on other regional seas programmes, a clear picture has emerged on the perceived needs of most regional seas conventions and action plans in the developing world for addressing the issue of offshore exploration and exploitation of oil and gas. These are:

- Improved information on the extent and impact of offshore activities, particularly as relates to drilling muds and cuttings and other discharges.
- Information on existing national or regional legal and regulatory/policy regimes for the control of marine pollution from these sources.
- The identification and sharing of appropriate technologies, practices and methods for the prevention, reduction and control of negative impacts of offshore oil and gas activities.
- The development of regional cooperation programmes.

Despite the fact that a number of regional seas conventions and action plans in the developing world are not dealing systematically with this issue, they can be, as reflected by the Barcelona and Kuwait Conventions, important instruments for addressing pollution from offshore exploration and exploitation. The respective protocols of these two conventions contain the elements and measures necessary for dealing effectively with marine pollution from offshore oil and gas activities. As indicated earlier, all of the regional seas conventions involving developing countries have protocols on cooperation in combating emergencies from oil spills and other hazardous substances. Taking the example of the integrated approach applied by the Barcelona Convention, the development of regional cooperation programmes on offshore oil and gas activities should be linked operationally to the oil spill protocols, as well as to the protocols on land-based sources of pollution.

I would also like now to refer to several other key activities that relate directly to the oil and gas sector.

I will first mention a significant activity – is in the field of environmental knowledge. Following the successful international expert meeting in Noordwijk, the Netherlands, in 1997, several key partners decided to do something to improve the access to environmental information relating to offshore activities. The expert meeting had concluded among other things that “... a large body of environmental information exists, but it is not organised in a way that makes it easy for those concerned to access it, or even to be aware of its existence...” Subsequent to the meeting, UNEP and UNCTAD, with the assistance of WWF, the Oil and Gas Producers Association and the Governments of Norway and the Netherlands, established a pilot internet site to provide a “roadmap to information sources”. This Offshore Environment Forum as we call it has provided a useful medium for all those concerned with environmental issues to communicate their information. Further details about this Forum are available at this conference, and from UNEP staff directly. This second international Expert Meeting kindly hosted by the Government of Norway here in Stavanger, will help to plan the way ahead for expansion and further development of this important information system, for the use of all stakeholders. UNEP looks forward to a successful outcome of this meeting, and thanks all those concerned for contributing to this initiative.

Within UNEP, the technical work directly with the oil and gas sector is also well developed. Already in 1995, UNEP and IPIECA produced a report on “Technology Cooperation and Capacity Building.” In 1997 UNEP joined with the then E and P Forum – now the OGP – to publish a guideline report on “Environmental Management in Offshore Oil and Gas Exploration and Production”. The book quickly became a bestseller and is still in print. In 1999, UNEP, together with Sustainability Ltd in the UK, focussed on environmental reporting in the industry, publishing a “Review of Environmental Disclosure in the Oil Industry”. Overall we have developed good links with major associations and CEOs, and have advised institutions on the development of environmental training courses. We expect to strengthen these partnerships in the time ahead by linking the industry more strongly with major initiatives such as the Global Reporting Initiative under the Global Compact as outlined by the UN Secretary General, Kofi Annan in Davos in 1999, and with the upcoming Rio+10 Review, just to name two. Other areas of UNEP activities relevant to the industry include the work of the Chemicals Unit on an international convention for Persistent Organic Pollutants, the work in the economics and trade area, in energy policy, and the recent initiative on facilitating the long term global shift to more sustainable production and consumption patterns.

Of course, we very much hope to expand the role of the Offshore Environment Forum as a communication medium for these initiatives, and look forward to an active participation by all stakeholders in this Forum.

Mr. Chairman, Ladies and Gentlemen,

Let me summarize the major environmental challenges of the 21<sup>st</sup> century highlighted in The Malmö Declaration of Environment Ministers end of May:

- the urgent need for reinvigorated international cooperation and partnership and solidarity in arresting and reversing growing trends in environmental degradation;
- The alarming discrepancy between commitments and action, adopting national sustainable development strategies, and increasing support to developing countries;
- International and national laws (including regional seas conventions) as a basis for addressing environmental threats and the central importance of environmental compliance, enforcement and liability, and promoting a precautionary approach;
- Geo 2000 giving special attention to unsustainable consumption and production patterns among the richer segments of all countries, particularly developed countries;
- Environmental threats resulting from, *inter alia*, urbanisation, climate change, the fresh water crisis, drought and desertification, increasing environmental emergencies, hazardous chemicals and land-based sources of pollution; and
- The role of technological innovations and the emergence of new resource-efficient technologies in avoiding environmentally destructive practices of the past.

The Declaration also emphasised the roles and responsibilities of Governments, the Private Sector and Civil Society in addressing environmental challenges of the 21<sup>st</sup> century, noting that governments are the primary agents in this process.

As you can see from the above, we have a deep and active role in the various sustainable development issues surrounding your industry. UNEP's approach is based on a cooperative partnership with all stakeholders, and in this we welcome further strengthening of our relationship with the industry, both in the technical and information areas, and through the regional seas programmes at the regional level.

If you agree, UNEP will raise these issues at the next Global Meeting of Regional Seas Conventions and Action Plans scheduled for November of this year in Monaco at the Marine Environment Laboratory of IAEA as well as pursuing individual initiatives on a bilateral basis with your industry.

Once again, thank you for the opportunity that you have given me to address this meeting. I wish you the greatest of successes in your deliberations. Thank you.