

Environmental and Social Impact Assessments: Lessons Learned on Large Projects in the Extractive Industries Sector

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Abstract

The European Bank for Reconstruction and Development (EBRD) is a multilateral financial institution and has provided project finance for several large projects in the infrastructure and extractive industries (oil, gas and mining) sector. The EBRD Environmental and Social Policy requires certain greenfield development projects (including many of those in the “extractives” sector) to complete an Environmental and Social Impact Assessment (ESIA) which must be publicly disclosed before financing can be considered. EBRD environmental and social standards are set forth in the Environmental and Social Policy (2014) and associated Performance Requirements, and include adherence to Good International Practice and to substantive environmental directives of the European Union. Over the last decade, the EBRD has been involved in numerous projects in the extractives sector requiring ESIA, including large upstream oil and gas production, large oil and gas export pipelines, onshore terminals and LNG plants, as well as development of several large mining projects.

The items described have been developed based on recent evaluation of ESIA implementation in the extractives sector over the past decade. The lessons learned over this time period will be discussed in detail, along with examples of how to avoid such possible obstacles. The lessons we learned can help you avoid project delays and can promote development of realistic and functional ESIA. This will help the end-user understand, own and ultimately manage the long-term process, as the ESIA is not completed when permits or financing is approved. When used properly, the ESIA can be used to manage project risks throughout the life of the project.