

Strategic Environmental Assessment for Ghana's oil and gas sector

Introduction

The exploration of oil and gas in Ghana began in 1996. Since then, oil has been mined in a small way, but in 2007, the discovery of commercial quantities of oil and gas at the Jubilee field off the coast in Ghana brought the country into the realms of becoming a major oil and gas producing nation. In 1998, the Ministry of Energy established the Energy Commission, to regulate and manage the utilisation of energy resources in the country and to coordinate policies. This includes granting of licenses for the transmission, supply and sale of natural gas.



Why SEA?

In line with the commitment to ensure sustainable national development in Ghana, steps are taken to guide the entire oil and gas sector in terms of policy, legal framework and public education. This is why the Ministry of Energy (MoEn), in collaboration with the Environmental Protection Agency (EPA) and the National Development Planning Commission (NDPC) are undertaking the Strategic Environmental Assessment (SEA) for the oil and gas sector. The SEA is supported by the Netherlands Commission for Environmental Assessment (NCEA), the Norwegian Oil for Development (OfD) Programme and donor supported Natural Resources Environmental Governance (NREG) budget.

The purpose of this SEA is to ensure that environmental issues are considered in all decisions concerning the oil and gas sector at the conceptual stage in order to:

- protect and enhance the natural resources (flora and fauna, wetlands, etc.) on which people depend for their livelihoods;
- improve health and well-being by eliminating pollution and reducing accidents;
- reduce risks associated with the industry, including user conflicts;



- enhance opportunities for the vulnerable and excluded;
- create institutional systems that allow broad participation in decision making processes.

Furthermore, the SEA should feed into the following key elements of proactive planning:

- Phasing of oil and gas development
- Spatial/ land use planning
- Emergency response planning
- Waste management
- Management of utility/social service needs.

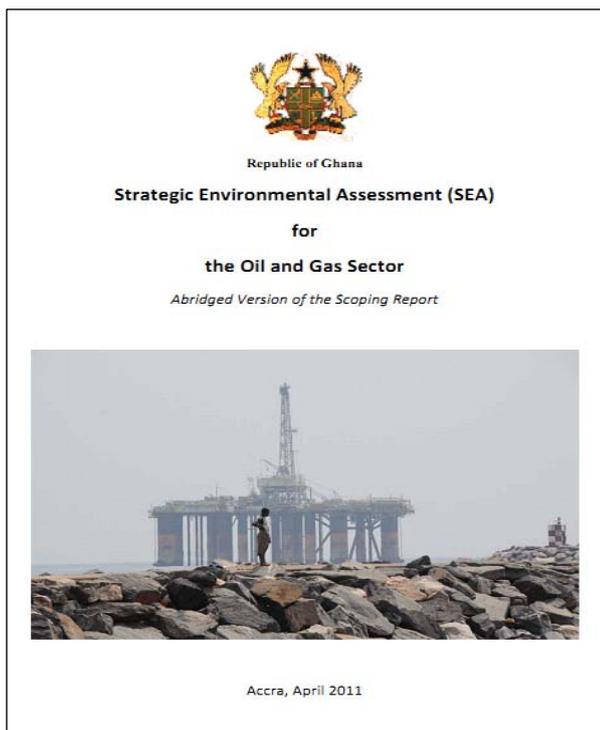
In addition, it is expected that it would contribute to the quality of strategic decisions to be made on future development of:

- the fields adjacent to the Jubilee field;
- the other offshore oil and gas sector developments;
- onshore oil and gas areas.

Strategic Environmental Assessment (SEA) is a family of approaches that aim to integrate environmental considerations into policies, plans and programmes and evaluate their interlinkages with economic and social considerations.

The process of the SEA so far

- A draft Terms of Reference was prepared by the EPA Ghana for the SEA in March 2009 in order to assess environmental and socio-economic impacts of possible future petroleum activities in Ghana.
- During the International Association of Impact Assessment conference (IAIA) in Accra held in May 2009, EPA, THE NCEA and the Norwegian OfD Programme met to discuss the support that could be given to Ghana in the form of advice and capacity development.
- In September 2009, a screening survey was conducted alongside a public hearing organised for the Jubilee field development for 6 coastal



districts to get information on the expectations and concerns.

- An advisory report on the quality of the EIA of the Jubilee field, was prepared by the NCEA and Norway in November 2009 on the basis of which EPA drafted a permit schedule. This EIA process had started in 2008.
- At the request of the EPA, an approach for the oil and gas SEA was developed by the NCEA and Norway in January of 2010.
- Subsequently, in February 2010, a workshop was held in Accra to agree on this approach. A seven member SEA team was installed, consisting of three EPA staff, two MoEn staff, one person from the Ghana National Petroleum Corporation (GNPC) and a representative of the NDPC. The team is supported by a Ghanaian and a Norwegian SEA consultant .
- In March 2010, a preliminary scoping report containing three scenarios for the oil and gas development was made and extensively discussed at a scoping workshops in Accra and Busua.
- During the next 5 months, SEA team meetings took place to review existing information on the oil and gas sector, to organise focused stakeholder consultation with for example the National Association of Canoe Fishermen, exploration and production companies, several ministries, Ghana Maritime Authority and the Media Association, which led to a final draft scoping report in August 2010.
- In January 2011 a planning meeting was held in Accra for the follow up and definition of the scope of work for the finalisation of the SEA. By March 2011 the final scoping report was approved.
- A first Steering Committee meeting (high level representatives from the Ministry of

Environment, Science and Technology, MoEn and NDPC) was held in April 2011 to discuss the SEA progress made so far.

- In the following weeks, the SEA team continued to work on an abridged version of the scoping report, collection of baseline information, meetings with the spatial planning teams and staff of ministries. Working sessions took place to review (oil and gas related) policies, plans and programmes (PPPs), and to develop the methodology for the assessment (see page 3).
- In May 2011, a working session took place with key sectors and thematic groups, to validate findings of initial evaluation of sector policies, plans and programmes, to determine best options for addressing any gaps in sector PPPs and to identify indicators for monitoring. All the sector participants were informed to ensure that the issues and responses relevant to their sector/thematic group were duly incorporated in their sector PPPs and for the budget process.
- A number of capacity building opportunities was provided for the SEA team on international perspectives of oil and gas sector development. These mainly took place in May 2011 and included study tours/field trips to the Netherlands and Norway and the 2011 IAIA conference in Mexico.
- In July 2011, eight community consultations took place in the Western Region of Ghana and selected districts of the Voltaian region, to brief them on SEA developments, to inform them on oil and gas developments on the ground and to identify concerns and expectations and highlight opportunities.
- In September 2011 the SEA team met to make an overview of all activities since May 2009 and to decide on the content of the SEA process and contents report and the executive summary.
- The final stage of the assessment was to engage staff within the Policy Planning, Monitoring and evaluation/budget divisions of selected ministries. The objectives of these working sessions in October 2011, were to follow up on the earlier working session in May to ascertain whether the key issues had been incorporated into sector PPPs and to guide them to match the key issues of the SEA against the issues, policy objectives and the strategies in the Ghana Shared Growth and Development Agenda.
- The draft SEA process report was prepared by November 2011. The draft contents report was ready in April 2012.
- The SEA team is currently working on the finalisation of the work.

The SEA scoping results

The main objective of scoping was to identify the key issues that require attention in the SEA. This was done through three main activities:

- Desktop review of existing information on the oil and gas sector;
- Development of 3 scenarios ('lost opportunities', 'so far so good' and 'full speed ahead', which lead to a first qualitative estimation of potential positive and negative consequences and opportunities;
- Determination of stakeholder opinions and interests.

This finally led to the identification of 24 key issues of high importance:

Natural Resources

- 1) Invasive species associated with the disposal of Ballast Water and its effects on the marine environment
- 2) Accidental spillages and incidents at all stages, from intensity of support operations, serious pipeline rupture during operation and tanker collisions
- 3) Waste management at all stages
- 4) Climate change

Socio-cultural

- 5) Increase in social vices
- 6) Public and occupational Health and Safety
- 7) In-migration and related social and health implications
- 8) Unrealistic or exaggerated expectations in the local population
- 9) Oil spills and their effects on the livelihoods of the coastal communities, especially women, children and the vulnerable

Economic

- 10) Job creation and increase in employment leading to improvement in the living standards of the people particularly the youth
- 11) Avoidance of over-dependence on oil and gas (Dutch Disease) by investing in agriculture and allied sectors
- 12) Sustainable Alternative Livelihood schemes for persons affected by the oil and gas development
- 13) Proper management of petroleum revenues and gas resources
- 14) Price distortions arising from income dispositions in oil producing areas
- 15) Drain of skilled workforce from other sectors into the oil and gas sector

Institutional

- 16) Institutional mandate and arrangement for offshore petroleum safety and emergency training.
- 17) Need for a dedicated port to support oil operations
- 18) Institutionalisation of a forum for continuous stakeholder engagement/consultations and conflict Resolution & Management
- 19) Capacity building, skills training and technology transfer for local businesses to participate in the oil industry
- 20) Institutional capacity building for monitoring and regulation
- 21) Management of expectations
- 22) Need to ensure transparency and fairness in the operations of the oil and gas industry relating to naming of fields and wells, etc
- 23) Land use Planning and Control
- 24) Health and other Emergency Response Facilities

SEA assessment methodology

The adopted methodology used the 'Issues-Response' matrix and required 3 main steps: Step 1 – provide a list of all relevant PPPs, (those already in operation and those under preparation) Step 2 – list all the 24 SEA key issues Step 3 – evaluate the operational PPPs and determine how they respond to the key SEA issues (what kind of alternatives they have, gap analysis, monitoring etc).

The assessment made clear that the group of PPPs prepared before Ghana's oil and gas discovery in 2007 did (naturally) not address the key issues for its irrelevance at that period of time. However, for the group of PPPs under preparation, it was recommended to consider the key issues before finalizing the PPPs. And some PPPs for the oil and gas sector had taken some environmental concerns already into consideration although they were not directly related to the key issues identified by the SEA process. It was recommended that those PPPs should be reconsidered in relation to the aforementioned key issues.

Analysis showed as well that the oil and gas development thematic area of the Ghana Shared Growth and Development Agenda (GSGDA 2010–2013), which is the Government's main development policy framework, had also addressed some of the SEA key issues. Attention should be given to how these issues will be further translated (and budgeted!) in the related sector plans.

SEA links to planning/decision making

The findings of the SEA team during the SEA assessment phase were subsequently validated at two occasions.

The first one being a sector and thematic group meeting: with around 60 participants drawn from selected ministries, NGOs as well as exploration and production companies.

The following results were realised:

- 'Sector expert' inputs were obtained into the analysis and mitigation options;
- Best options were determined for addressing any gaps in sector PPPS;
- Participants identified indicators for monitoring.

All the sector participants were informed to go back to their various ministries and ensure that the issues and responses relevant to their sector/thematic group were duly incorporated in their sector PPPs and for the budget process.

The second occasion was a working session with staff within the policy planning, monitoring and evaluation/budget divisions. The objectives of the working sessions were:

- To follow up on the earlier working session to ascertain whether the key issues had been incorporated into sector PPPs.

SEA for the Petroleum Sector in Ghana – Process



Terms of Reference (TOR)	March
Screening process/report	Sept/Oct
Needs assessment workshop	December
Kick-off meeting for SEA	December

Pre-scoping workshop	February
Identification of key issues	February
Inaugural SEA Team	February
Preliminary scoping report	March
Scoping workshops in Accra and Busua	March
Extended SEA Team meeting In IAIA Geneva	April
Review of existing info on oil and gas sector	May/June
Focus stakeholder consultations (RMA, Fisheries, key MDAs and NGOs)	June/July
Determination of stakeholder opinions and interests	June/July
Analysis and conclusions on key issues	July
Draft of scoping report	November

Finalizing the Scoping Report (SR)	Feb/Mar
Identification of data sources	March
Setting up of Steering Committee	April
Preparation, abridged SR	April
Meeting, spatial planning team	April
Dodowa retreat for SEA Team	April
Further evaluations of PPPs	April
Preparations for sector meetings	May
Key sector stakeholder consultations	May
Study tour Netherlands, Norway	May
IAIA Mexico	May/June
Community consultations in Half Assini, Esiama, Axim, Shama, Saltpond, Winneba, Keta, Accra	July
Initial report preparation	September
Sectors meeting with NDPC	October
Further assessment, monitoring planning and reporting	November/December
High level meeting	Jan/Feb

- To guide them to match the key issues of the SEA against the GSGDA issues, policy objectives and the strategies.
- There were around 50 participants drawn from ministries, NGOs, CSOs as well as academia.
- commenting on draft reports, such as the scoping report, draft SEA process and SEA contents report;
- assistance in capacity building activities, such as an SEA team study tour to the Netherlands.

The main results realised were adopted sector policy objectives and strategies for oil and gas as indicated. As a consequence, the SEA has led to the identification of formal relevant decision making processes. The SEA was conducted with complete involvement of stakeholders with consultations at national, regional and district level involving workshops, questionnaire, public hearings and interviews of key persons and the details of the information were appropriately documented and made available.

The NCEA's involvement with this SEA

This SEA is carried out following the 'Ghana SEA approach' which among other things implies that the SEA work is done by a Ghanaian SEA team with assistance from local/international consultants. It is characterised by a highly participative process with a whole series of SEA team meetings and subsequent activities. The NCEA input in this SEA can be summarised as:

- assistance in the design and set-up of the SEA
- participating in a series of SEA team meetings in Ghana;
- attending scoping workshops;
- coaching of the SEA team;

Services provided by the NCEA

The NCEA supports SEA practice in different countries. Depending on the needs in a specific country, the NCEA contributes to:

- SEA Introductory training;
- Institutional assessment;
- Coaching and training on-the-job of SEA teams;
- Introduction and design of SEA systems (see key sheet *SEA introduction*);
- Advising on ToR for and quality review of individual SEAs. (see key sheet *Independent advice on SEA reports*).

More information

- Environmental Protection Agency Ghana, SEA team coordinator Ms. Christine Asare, www.epaghana.org
- Tailor-made support and advice on EIA/SEA (for oil & gas) contact helpdesk@eia.nl
- Or visit THE NCEA's website at www.eia.nl for news, country profiles, resources and project database.