



# AzSPU Environmental and Social Impact Assessment (ESIA) Management Process

**AZSPU-HSSE-DOC-00129-2**

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<b>Issue Date:</b>	29 November, 2007	<b>Issuing Dept:</b>	AzSPU HSE & Engineering
<b>Revision Date:</b>	5 April, 2010	<b>Control Tier:</b>	2- AzSPU
<b>Next Review Date:</b>	5 April, 2011		

## 1. Introduction

Since BP initiated exploration activities in the Caspian region in 1994, a number of ESIA's have been developed in order to assess, manage and monitor the impact of activities on people and the environment.

ESIA documents prepared since 1998 (i.e. for ACG Phases 1, 2 and 3, Shah Deniz Stage 1, BTC / SCP and Chirag Oil Project) have resulted in the development of considerable knowledge and experience in this field and it is important that "lessons learned" from the compilation and approval of these documents, and the subsequent implementation of ESIA requirements, are transferred into the management process of upcoming ESIA projects.

A number of new developments are planned within the AzSPU over the next 10-15 years, along with modifications to existing operations. Shah Deniz Full Field Development is currently at Select stage. In accordance with Production Sharing Agreement (PSA) requirements, the Azerbaijan EIA Handbook, Shah Deniz Protection Standards and international regulations, and the BP Group Defined Practice – 'Environment for Access, Major Projects, Non-Major projects in Sensitive Areas, and Acquisition Activities' (GDP 3.6-0001) this new project will require the development of an ESIA.

This document builds on lessons learnt from previous ESIA's and provides a framework for carrying out future ESIA's in order to ensure consistency, accuracy and improved management. The main areas to be addressed include:

- Quality and value of ESIA documentation – a significant proportion of ESIA content is common to all projects. This has led to mistakes being copied from one ESIA document to the next.
- Comprehensive coverage of impacts – experience during construction, installation, commissioning and operation has shown that there are a number of discharges and emissions which were neither mentioned, nor assessed, within earlier ESIA's.
- Inconsistent and unachievable mitigation measures and commitments – in the past commitments have been embedded into ESIA's without rigorous review and coordination by BP, resulting in obligations that are not attainable in practice.
- Communication – in the past communication links between various teams in the AzSPU have not been defined with respect to the ESIA management process.
- Internal approval – important that some form of accountability for the ESIA document is put in place prior to submission to the regulators.

## 2. Purpose

The purpose of this document is to:

- Outline the ESIA process and the proposed measures to improve consistency, accuracy and management.
- Define responsibilities for implementing the proposed measures.

### 3. Scope

The requirements in this document are applicable to major high-sensitivity AzSPU ESIA projects, defined as category A in the BP Group Defined Practice - 'Environment for Access, Major Projects, Non-Major projects in Sensitive Areas, and Acquisition Activities' (GDP 3.6-0001).

The same requirements should also be considered for smaller-scale impact assessment projects, e.g. Category B and C ESIAs, Environmental Addendums and Environmental Technical Notes. It is the responsibility of the Project Director / Vice President to determine the extent to which the principles outlined in this document are applied to smaller-scale projects.

### 4. Specific Requirements

- OMS Essential 3.6.2.
- GDP 3.6-0001 Environment for Access, Major Projects, Non-Major Projects in Sensitive Areas, and Acquisition Activities.

### 5. Proposed Approach

The approach outlined below aims to keep the ESIA process as simple as possible, while avoiding contradictory and unrealistic commitments.

#### 5.1 ESIA Management

An ESIA Coordinator will be appointed who is responsible for overseeing the development of the ESIA. It is recommended that the ESIA Coordinator has Operations, ESIA and compliance management experience in order to carry out a 'reality check' on ESIA commitments and to ensure that they are feasible.

The ESIA Coordinators responsibilities will include, but are not limited to:

- Interfacing with the Project Team, Operations, the AzSPU Safety & Compliance Team, the AzSPU Environment Team, and Communications and External Affairs (C&EA) in order to ensure strong links between the teams, and transfer of knowledge and lessons learned.
- Leading the review of compliance documentation compiled by the AzSPU Safety & Compliance Team.
- Coordinating internal reviews of technical information prior to release to the ESIA Contractor.
- Identifying the environmental studies required for the ESIA and relaying this information to the AzSPU Environment Team, through the Integrated Ecological Monitoring Programme (IEMP).
- Liaison with Operations to ensure that suggested environmental and social mitigation measures from the Project Engineers can be implemented in the field and that these commitments are practicable.
- Coordinating the internal and external approval processes.

The ESIA shall be prepared by, or in consultation with, one or more recognized international environmental consulting firms.

The ESIA Coordinator will provide the ESIA Contractor with a standardised ESIA Table of Contents (ToC) Template developed by Major Projects PU, with input from the AzSPU Safety & Compliance Team.

## **5.2 ESIA Compilation**

### ***5.2.1 Policy, Regulatory and Administrative Framework***

The AzSPU Safety & Compliance Team is responsible for preparing and maintaining a Policy, Regulatory and Administrative Framework chapter for inclusion in the ESIA. This chapter will be submitted to the ESIA Coordinator.

The AzSPU Safety & Compliance Team will also prepare the following compliance documents and provide them to the ESIA Coordinator as part of the ESIA process:

- A list of existing compliance tasks (from the Compliance Task Manager (CTM) database) which have the potential to be applicable to the project. To aid this process the ESIA Coordinator will provide the AzSPU Safety & Compliance Team with a list of proposed activities (see APS list requirements in Section 5.2.4). It is the responsibility of Major Projects PU to make the final decision regarding applicability of the extracted compliance tasks to the proposed project.

As part of this process, the ESIA Coordinator, Project Engineers and Operations personnel will review the mandatory commitments to ensure that design and mitigation measures are in place to meet these requirements. In addition, the same personnel will review the commitments extracted from previous ESIA documents to identify those tasks which aren't considered achievable in the field and ensure that they aren't transferred into the current ESIA.

- A register of potentially applicable national and international legislation and regulations.
- A specific compliance and approval status document on onshore and offshore discharges and emissions across the AzSPU.
- A schedule of prepared and planned Compliance Requirement Position Papers (CRPPs). CRPPs summarise the conflicting commitments made in different ESIA's. The AzSPU Safety & Compliance Team is responsible for re-negotiation of previous unachievable commitments with the regulatory authorities, as part of their ongoing HSSE advocacy work. As a result of this process, the CRPPs will be updated with the agreed recommended AzSPU standards and submitted to the ESIA Coordinator. It should be noted that CRPPs will only be developed for high risk areas, or areas where uncertainties exist.

The documents listed above will be revised as required, and amendments communicated to the ESIA Coordinator by the AzSPU Safety & Compliance Team.

### ***5.2.2 Environmental and Social Impact Assessment Methodology***

In previous ESIA's there have been inconsistencies in impact assessment methodology, including different definitions for determining impact categorisation, and different ESIA Contractors using a variety of quantitative and qualitative approaches.

A methodology for assessing environmental and social impacts will be developed by Major Projects PU in consultation with Operations, the AzSPU Safety & Compliance Team, the AzSPU Environment Team, and C&EA. Once the methodology has been finalised the implications and practicalities of applying this consistently across the AzSPU will be assessed.

Consideration will also be given to the inclusion of health impact assessment, in line with Operating Management System (OMS) Essential 3.6.2<sup>1</sup>. Consultation should be carried out with the AzSPU Health Team prior to ESIA initiation to determine whether any ongoing internal health impact assessments can feed into the process.

### ***5.2.3 Alternative Options***

Previous ESIA's have been inconsistent in their coverage of this section of the report. An assessment of the non-development option and a description of reasonable project alternatives, including the ability of each alternative to meet project needs, will be included in this section of the ESIA.

It is important to recognize that BP has an established process for selecting engineering options and the ESIA must reflect this.

An Alternative Options Assessment Guidance Procedure, summarizing the minimum requirements for options assessment, will be prepared by Major Projects PU.

### ***5.2.4 Project Description***

The accuracy and completeness of this section depends primarily on the state of knowledge regarding the project design at the time of preparing the ESIA.

A comprehensive activities, products and services (APS) checklist will be developed by Major Projects PU, in consultation with the AzSPU Safety & Compliance Team and PUs / Assets, in order to verify that the relevant processes are captured and adequately described. The APS checklist will feed into the identification of applicable compliance tasks (see Section 5.2.1) and the environmental and social aspects screening (see Section 5.2.8).

Throughout the ESIA process it is important that a system of internal accountability for the accuracy of information provided to the ESIA Contractor is in place. The ESIA Coordinator will be responsible for reviewing all information passed to the ESIA Contractor and for verifying the source of the data, where applicable, with the Project Engineers.

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<sup>1</sup> "Identify the potential environmental, health and social impacts of projects, designing them to avoid or mitigate adverse impacts and reduce use of natural resources".

It is also the ESIA Coordinators responsibility to check the validity of the technical information immediately prior to ESIA submission to ensure that any late design changes are incorporated into the document.

### ***5.2.5 Environmental Description***

It is recognized that environmental monitoring is a complex and evolving field. The continuing development of the IEMP is critical in ensuring that the appropriate data is available for the preparation of the environmental description.

The ESIA Coordinator will be responsible for identifying the studies required for the ESIA and relaying this information to the AzSPU Environment Team.

The AzSPU Environment Team is responsible for organizing the required IEMP activities, collecting and analysing the resulting data and preparing and maintaining an Environmental Description chapter for inclusion in the ESIA. This chapter will be submitted to the ESIA Coordinator.

### ***5.2.6 Socio-economic Description***

Assessment of socio-economic impacts has generally received insufficient attention during the ESIA process. This partly reflects the fact that the ESIA Contractors have encountered difficulties in accessing reliable data on which to base impact assessments.

It is important that regularly updated sources of socio-economic information are used in the ESIA. A briefing note highlighting these data sources will be prepared and maintained by C&EA and submitted to the ESIA Coordinator.

### ***5.2.7 Consultation***

A list of key stakeholders and their contact details will be prepared by the AzSPU Environment Team / C&EA and included in the ESIA ToC Template. This list will be updated by the ESIA Coordinator, as required.

External consultation will be managed by C&EA with the assistance and participation of the AzSPU Environment Team, in line with the AzSPU HSSE&S MS Communications Procedure ([AzSPU-HSSE-DOC-00018-2](#)).

In addition, a Public Consultation and Disclosure Plan will be prepared by C&EA. This is a common process required under national legislation as well as international best practice.

### ***5.2.8 Environmental and Social Impact Assessment***

In previous ESIA's there have been impact assessment omissions, including failure to capture major aspects, e.g. discharges associated with commissioning injection systems, platforms and pipelines.

The impact assessment process will be initiated by conducting environmental and social aspects screening using the methodology and template provided in the AzSPU Environmental and Social

Aspects Identification and Significance Screening Procedure ([AzSPU-HSSE-DOC-00027-2](#)). It is important that all stages of the project, i.e. construction, commissioning, operation and decommissioning are considered. The APS checklist referred to in Section 5.2.4 will assist with this process.

The significance scoring obtained in the environmental and social aspects screening will feed into the ESIA impact assessment process (i.e. significant impacts identified through the Aspects Screening should also be significant using the proposed ESIA methodology).

### ***5.2.9 Mitigation and Monitoring***

Previously there has been a lack of consistency across ESIA's in terms of the mitigation measures proposed and commitments made. Whilst the ESIA Contractor is responsible for ensuring that commitments are in accordance with best practice and national legislation, BP retains ultimate responsibility for verifying that commitments made in ESIA's are achievable and consistent across the AzSPU, where appropriate.

The implications / practicalities of the proposed mitigation measures will be fully reviewed and accepted by Operations, the Project Team, the AzSPU Safety & Compliance Team, the AzSPU Environment Team, and C&EA before the commitments in this section are confirmed during ESIA disclosure.

In addition any environmental monitoring proposed in the ESIA should feed back into the IEMP and be reviewed in conjunction with existing monitoring programmes.

### ***5.2.10 Environmental & Social Management***

The AzSPU Safety & Compliance Team will provide input to the Environmental & Social Management chapter for inclusion in the ESIA. The ESIA Coordinator will be responsible for managing the information provided by both the ESIA Contractor, and the AzSPU Safety & Compliance Team, for this section of the report.

### ***5.2.11 Appendices***

Required appendices will be listed in the ESIA ToC Template and will include a Commitments Register, HSE Design Standards, impact assessment tables, etc.

**Commitments Register:** The purpose of this appendix is to list all the commitments made throughout the ESIA document so that they can be easily referenced.

The AzSPU Safety & Compliance Team will provide a standardized commitments register template. Standardising the format will help simplify the process of transferring commitments from the ESIA into the AzSPU CTM database.

**HSE Design Standards:** Will be included and not subject to amendment.



### 5.3 ESIA Approval

The ESIA Coordinator will be responsible for managing both the internal and external ESIA approvals processes.

Internal review of each ESIA chapter will be carried out by the ESIA Coordinator, as it is completed, to ensure that sufficient time is available for detailed initial review. Formal internal approval will then be required prior to submission of the document to the Ministry of Ecology and Natural Resources (MENR). The review panel will include representatives from the Project Team, Operations, the AzSPU Safety & Compliance Team, the AzSPU Environment Team and C&EA. In addition, all major AzSPU ESIA documents (Category A) will also require formal sign-off by the Azerbaijan Leadership Team.

The AzSPU Environment Team will act as the focal point with respect to external interfacing with Governmental agencies, e.g. the MENR and the PSA established Environmental Sub-Committee and the Research and Monitoring Group (RMG).

### 5.4 ESIA Deviations

If deviations to project design are required following ESIA approval, a Management of Change process will be followed involving MENR consultation and the submission of an ESIA addendum detailing the changes and any additional impacts and subsequent mitigation measures.

### Revision Log

Revision Date	Approver	Originator	Revision Details
November 29, 2007	Yuliy Zaytsev	Rebecca Heath	Initial issue
February 17, 2009	AzSPU Safety & Compliance Systems Manager (Yuliy Zaytsev)	AzSPU HSSE MS Senior Advisor (Rebecca Heath)	<p>Titles updated throughout.</p> <p>'Environmental Requirements for New Projects' replaced with the 'Environmental Group Defined Practice'.</p> <p>Requirement for ESIA methodology developed by MPPU to be "fixed and consistently applied across the AzSPU" amended to allow more flexibility.</p> <p>Responsibility for development of project APS lists transferred to Major Projects PU, in consultation with AzSPU HSE Compliance Team and PUs / Assets.</p>
April 5, 2010	AzSPU Safety & Compliance Systems Manager (Yuliy Zaytsev)	AzSPU HSSE MS Senior Advisor (Rebecca Heath)	<p>Annual review and update.</p> <p>Alignment with OMS and Group Defined Practices.</p> <p>Clarification of compliance documentation submissions.</p> <p>Addition of Environmental &amp; Social Management section.</p>