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Oil, Gas, Coal, Hydropower & Biodiversity In Russia

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Last week I had the privilege of being invited to a most interesting conference at the Russian Ministry of Natural Resources and Ecology in Moscow. Co-sponsored by the UN Development Programme and the Global Environment Facility, the conference explored challenges and opportunities for corporate biodiversity responsibility within the energy sector.

In the opening plenary, my presentation was on biodiversity mitigation strategies. It focused on the mitigation hierarchy - avoid, minimise, restore, offset - as set out in Performance Standard 6 of the International Finance Corporation. The IFC Performance Standards have been adopted by export credit agencies under an agreement called the OECD Common Approaches and by large commercial banks under the Equator Principles. The message for energy companies in Russia, and elsewhere, is that if they want to secure financing, increasingly they need to be compliant with the IFC Performance Standards.



The conference broke into three groups - oil & gas, coal, and hydropower - and I stayed with the oil & gas group where I gave a second presentation on international best practice for biodiversity management in the sector. It included an overview of some of the key tools that have been developed by IPEICA, ICMM, WBCSD, CSBI, BBOP, the VCA Registry and others. The bottom line is that there is now a decent set of tools available to enable companies to be compliant with the IFC Performance Standard 6 and to be transparent and publicly accountable about their responsibility to nature.

Almost all of the presentations, however, were by Russian stakeholders - representatives from government agencies, companies and NGOs. There were several presentations on corporate biodiversity action offshore and onshore from the Gulf of Finland to Sakhalin Island in the far east of the country and from the Caspian Sea to the Russian Arctic. There was even an interesting presentation on the biodiversity impacts of the 165 capped oil wells on the Kerch Peninsula in Crimea.

It is quite clear that there is some very good practice in the country with respect to mitigating

biodiversity impacts. The speaker from Sakhalin Energy gave a particularly interesting presentation on their terrestrial and marine biodiversity programmes which include monitoring whales. Gazprom Oil Shelf showed two informative videos on some of their efforts in the far north - one on platform design and the other on fish restocking.

What is less clear is what needs to be done to scale up the level of corporate commitment to biodiversity responsibility. As can be expected, from all quarters, there was a good deal of discussion about the need for more, better or smarter regulation. However, there was also a recognition that in a country as vast as Russia and in a sector as strategic as energy, regulations on their own may not be sufficient.

Thus there was real interest in understanding how international finance can be a driver for biodiversity responsibility. Some even went further, however, and suggested that if the Russian energy companies want to become international players - for example, like Statoil in Norway - then they will need to show that they can both supply energy and conserve nature. The Ministry certainly moved the discussion on energy and biodiversity in Russia a solid step forward with this conference.

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