

ESSO RESOURCES CANADA LIMITED
BRUNDTLAND REPORT OVERVIEW/IMPLICATIONS

MANAGEMENT COMMITTEE PRESENTATION

FEBRUARY 16, 1988

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BRUNDTLAND REPORT OVERVIEW/IMPLICATIONS

BACKGROUND

- o WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT ESTABLISHED BY THE UN GENERAL ASSEMBLY IN 1983
- o CHAIRPERSON, MADAME GRO HARLEM BRUNDTLAND OF NORWAY
- o FINAL REPORT, "OUR COMMON FUTURE" PUBLISHED APRIL, 1987
- o COMMISSIONS MANDATE:
 - RE-EXAMINE CRITICAL ISSUES/PROPOSE ACTIONS
 - STRENGTHEN INTERNATIONAL CO-OPERATION
 - EDUCATION
- o PROCESS INVOLVED:
 - MEETINGS IN ALL REGIONS/SITE VISITS
 - PUBLIC HEARINGS
 - EXPERT INPUT THROUGH ADVISORS/PANELS/RESEARCH STUDIES

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BACKGROUND (VUGRAPH 1)

- o The Brundtland Report is the work of the World Commission on Environment and Development established by the UN General Assembly in 1983 under the leadership of Madame Gro Harlem Brundtland (now the PM of Norway).
- o 21 countries were represented including Canada (by Maurice Strong) and incidentally, the proposal for a commission was originally a Canadian suggestion.
- o The final report "Our Common Future" was published in April, 1987.
- o The Commission's mandate was to:
 1. Re-examine the critical issues of environment and development and to formulate realistic action proposals.
 2. Strengthen international co-operation on environment and development and to propose new forms of co-operation.
 3. Raise the level of understanding and commitment on the part of individuals, business, government etc.

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BACKGROUND (CONT.D)

- o The process was very open involving meetings in all regions which also provided opportunity for site visits. Public hearings afforded the opportunity for hundreds of individuals and organizations to give testimony and over 500 written briefs were received. In addition, the Commission sought advice through individual experts, panels and commissioned more than 75 studies with research institutes, universities etc.

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REPORT CONTENT

- o COMMISSION SELECTED EIGHT KEY ISSUES FOR ANALYSIS:
 - POPULATION - ENERGY - INDUSTRY - FOOD SECURITY
 - HUMAN SETTLEMENTS - INTERNATIONAL ECONOMIC RELATIONS
 - DECISION SUPPORT SYSTEMS - INTERNATIONAL CO-OPERATION
- o CENTRAL MESSAGE
 - SERVING URGENT NOTICE BUT NOT PREDICTING AN EVER INCREASING DOOM
 - GROWTH IS ESSENTIAL TO RELIEVE POVERTY/ENVIRONMENTAL PROBLEMS
 - NEED TO INTEGRATE ECONOMY/ENVIRONMENT
 - TECHNOLOGY AVAILABLE, NEED POLITICAL WILL
- o PROPOSING CONCEPT OF SUSTAINABLE DEVELOPMENT

"THAT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS."

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REPORT CONTENT (VUGRAPH II)

- o The Commission selected eight key issues for analysis including:
 - population - energy - industry - food security
 - human settlements - international economic relations
 - decision support systems - international co-operation
- o Central Message:

The Commission points to some examples of immense environmental destruction and concerns including:

- Some fifteen million acres of productive land around the world are converted into worthless desert every year - an area, during a thirty-year period, larger than Canada's three Prairie provinces combined.
- More than twenty-seven million acres of forest throughout the world are destroyed each year - an area equivalent, over three decades, to Canada's six eastern provinces.
- Single incident - such as Three Mile Island, Bhopal and Chernobyl
 - jolt us into realizing how vulnerable we are.

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REPORT CONTENT (CONT.D)

While serving urgent notice the Commission, however, does not forecast a picture of ever increasing doom as previous reports on industrialization and the environment have done eg. the Club of Rome's "Limits to Growth". In fact it believes that development is absolutely essential to produce the financial resources needed to relieve widespread poverty and the major environmental and social problems it brings. Development, however, says the Commission must integrate environmental planning, and the hope for the future is conditional on political will.

- o The Commission's idea of development, however, hinges on the concept of sustainable development which it defines as:

"that which meets the needs of the present without compromising the ability of future generations to meet their own needs."

- o This concept has been picked up by many others since, and while it is easy to support in general terms in specifics it can mean widely different things to different people.

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SOME GENERAL POINTS

- o IN MANY AREAS POPULATION GROWTH IS OUTSTRIPPING RESOURCES.
- o GLOBAL FOOD PRODUCTION EXCEEDING POPULATION GROWTH YET MORE PEOPLE HUNGRY.
- o SUSTAINABLE INDUSTRIAL DEVELOPMENT REQUIRED TO MEET HUMAN NEEDS.
- o SPECIES ARE UNDER GROWING STRESS
- o MANY INSTITUTIONAL SHORTCOMINGS

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SOME GENERAL POINTS: (VUGRAPH III)

- o Regarding specifics of the eight key areas addressed in the report I will provide a brief summary of the energy area with just a quick comment in the other seven as follows:
- o In many parts of the world, the population is growing at rates which outstrip environmental resources and any reasonable expectation of improvements in housing, health care, food or energy supplies. Efforts are required to eliminate mass poverty, assure more equitable access to resources and population control.
- o Growth in global cereal production exceeds population growth but more people are starving. Problems in distribution with subsidies in industrialized countries generating excesses (often with soil degradation) while in developing countries farmers not sufficiently supported.
- o Emerging technologies offer promise of higher productivity and increased efficiency. Essential needs can only be met through growth in goods and services but need to control risks of new toxic chemicals, wastes, etc. Answer again lies in sustainable growth.

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SOME GENERAL POINTS: (CONT.D)

- o Environmental trends threaten many species including man. Issues include immense deforestation and desertification, acid rain, the greenhouse effect, ozone depletion, etc.
- o Current government departments are generally too compartmentalized to approach issues in an integrated manner. (Supported incidentally by local observations during the recent Energy Options process). Environmental legislation requires more effective enforcement. Needs increased international cooperation. International development lending institutions need to insist on environmental impact assessment.

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ENERGY ALTERNATIVES

- o FOSSIL FUELS: THE CONTINUING DILEMMA
- o NUCLEAR ENERGY: UNSOLVED PROBLEMS
- o WOOD FUELS: THE VANISHING RESOURCES
- o RENEWABLE ENERGY: THE UNTAPPED POTENTIAL

CONCLUSIONS:

- o COMMISSION PROPOSES A "SOFT-ENERGY" PATH
 - PROMOTE EFFICIENCY AND CONSERVATION
 - PRICES SHOULD REFLECT REAL COSTS
 - REQUIRES POLITICAL WILL

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ENERGY ALTERNATIVES (VUGRAPH IV)

- o Themes of the Brundtland Report are particularly evident in the Energy Chapter. It shows that between primary production and end-use most energy is wasted appearing as pollution or habitat loss. It emphasizes the importance of conservation in meeting growing energy needs while sustaining environmental quality and notes that this will require some fundamental political and institutional shifts.
- o Regarding energy alternatives the report notes that while forecasts suggest ample supplies of coal and gas the recoverable oil reserves are such that vigorous conservation is required.
- o All fossil fuels contribute to complex and inter-related pollution problems including global warming, air contamination and acid rain. Risks of global warming resulting in melting of polar ice caps and submergence of coastal areas, re-arrangement of wet and dry lands with serious shifting in global agriculture and other economic activity makes increasing reliance on fossil fuels problematic. International co-operation is required on immediate measures at energy efficiency, shifts to renewable energy, reducing choroflurocarbons etc. while longer term solutions are developed.

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- o Nuclear energy has not met its early expectations. The report points to continuing unsolved problems including high costs, safety and health risks, concerns regarding potential military uses, etc. The Commission position is cautious recommending both research towards improved safety as well as other alterations.
- o Wood fuels are the main domestic source of energy for 70% of the developing world. Millions are short of wood and the numbers are growing. Wood poor nations have no choice but to reorganize their agriculture to grow more wood and in urban areas to gradually move to substitute fuels.
- o Renewable sources (mainly wood and hydropower) currently provide about 1/5 of the world's energy but have potential to supply total current global needs. A shift in research priorities is required, however, and barriers (e.g. utility monopolies/subsidies) in favour of non-renewables need to be changed.
- o In its conclusions, the commission proposes a "soft-energy" path which promotes efficiency and conservation measures to minimize conventional requirements until renewable sources are developed. To promote conservation the Commission proposes "full cost pricing". The report notes this will require "profound structural changes in socio-economic and institutional arrangements and new dimensions in political will."

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PROPOSALS FOR INSTITUTIONAL/LEGAL CHANGE

- o INTEGRATE ENVIRONMENT INTO ALL PLANNING
- o TOUGHER REGULATIONS AND ENFORCEMENT
- o INCREASED GLOBAL RESEARCH AND MONITORING
- o BETTER EDUCATION AND INCREASED STAKEHOLDER INVOLVEMENT
- o REVAMP NATIONAL/INTERNATIONAL ENVIRONMENTAL LAW
- o INCREASED NATIONAL INVESTMENTS IN ENVIRONMENTAL CONTROLS
- o A CALL FOR ACTION

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PROPOSALS FOR INSTITUTIONAL/LEGAL CHANGE (VUGRAPH V)

- o Governments must begin to integrate environmental planning into all decisions. All major international bodies should ensure programs encourage sustainable development.
- o Governments of industrialized and especially developing countries should get tougher on regulations and enforcement.
- o Need for increased world-wide research and monitoring and for international co-operation.
- o Making the difficult choices involved will require widespread involvement of well informed stakeholders. Need processes to achieve this.
- o Require a revamp of national and international environmental law. A universal declaration and subsequent Convention on environmental protection and sustainable development under UN auspices should be developed.

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PROPOSALS FOR INSTITUTIONAL/LEGAL CHANGE (CONT.D)

- o Governments should make increased investments in environmental control. Multilateral financial institutions and aid agencies need to reorient programs towards greater environmental concern.
- o In its concluding "Call for Action" the commission asks for an active followup program including:
 - Transformation of the report into a UN Program on Sustainable Development
 - Special regional followup conferences are proposed, and
 - At the appropriate time an international conference be convened to review and maintain progress. Interestingly, Canada has already offered to host such a conference in 1992.

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GOVERNMENT INITIATIVES (VUGRAPH VI)

- o In terms of government initiatives, Canada has been in the forefront. It initially called for the Commission, provided funding and supported its work throughout.
- o During the Commission's visit in May, 1986 Canada announced the formation of the National Task force on Environment and the Economy under CCREM. The Task Force report published in September 8, 1987 has been endorsed by all jurisdictions.
- o The Task Forces central recommendation calls for the creation of broadly based consultative groups, called Round Tables, at the national, provincial and territorial levels. The Round Tables would bring together senior leaders from all sectors to foster ideas on sustainable development in Canada and to provide leadership and influence in putting them into practice.
- o Another key recommendation embraces the concept of conservation strategies for each jurisdiction. The plans developed from multi-sector input would be blue prints for future development planning. Plans including a national plan are to be in place by 1992 for review at the the UN conference proposed by The World Commission on Environment and Development.

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GOVERNMENT INITIATIVES (CONT.D)

- o Additional Task Force recommendations of specific interest to us concern development of improved tools for cost/benefit analysis, risk assessment and increased use of environmental impact assessment. The task force encourages renewed leadership in environment/economy issues in government and industry with development and application by industry for example of environmental Codes of Practice, annual audits, etc.
- o "To mesh respective policy areas based on the principle of sustainable development" the Federal Ministers of Energy and Environment have designated themselves a two man committee to advance the energy/environment partnership encompassing their staffs and programs.
- o The Energy Options process to which a number here have had direct input was designed at the outset recognizing energy/environment linkages and sought specific input on this dimension at the Niagara-on-the-Lake session.
- o Back in November we reviewed for you what we saw as the current environmental issues and emerging trends. We noted at that time that we are entering a new era characterized by tougher regulations, stricter enforcement and harsher penalties. This is consistent with recommendations from the World Commission and our own National

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BRUNDTLAND IMPLICATIONS - GOVERNMENT INITIATIVES

- o CCREM NATIONAL TASK FORCE ON ENVIRONMENT AND ECONOMY
 - ESTABLISHMENT OF "ROUND TABLES"
 - CONSERVATION STRATEGIES IN PLACE BY 1992
- o MCMILLAN/MASSE COMMITTEE ON ENERGY AND THE ENVIRONMENT
- o ENERGY OPTIONS PROCESS
- o REGULATION DEVELOPMENT AND ENFORCEMENT
 - CANADIAN ENVIRONMENTAL PROTECTION ACT
 - ALBERTA PANEL ON ENFORCEMENT

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GOVERNMENT INITIATIVES (CONT.D)

Task Force. Examples of recent developments include the Canadian Environmental Protection Act, major emphasis on Hazardous Waste regulations and programs in this province and elsewhere and the recently published and soon to be implemented recommendations from the Alberta Panel on Enforcement regarding proposed changes to the Alberta process for setting of standards, licensing and enforcement.

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IMPLICATIONS FOR ERCL

- o CONTINUING EXTERNAL PRESSURES TOWARDS "SUSTAINABLE DEVELOPMENT"
- o NEED TO DEVELOP STRATEGIES, POSITIONS, POLICIES
- o MORE STRINGENT STANDARDS AND STRICTER ENFORCEMENT
- o CONTINUING AND GROWING PUBLIC INVOLVEMENT
- o INTEGRATION OF ENVIRONMENTAL PLANNING REQUIRED AS A "WAY OF LIFE"

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IMPLICATIONS WITHIN ERCL (VUGRAPH VII)

- o Let me now attempt to bring things closer to home with some comments on what this all means for us in ERCL.
- o We can anticipate continued and probably growing external pressures around the concept of sustained development and a stronger emphasis on conservation and energy efficiencies. During the Energy Options process environmental issues were afforded considerable and some would argue a disproportionate share of the agendas. The issues raised, however, are entirely consistent with the findings of the World Commission and CCREM Task Force and we can expect continuing involvement and influence from environmental groups in on-going debates.
- o In terms of on-going debate the proposed CCREM Round Tables will seek involvement of senior leaders from various sectors. The process in Alberta is expected to be initiated shortly. There will be a need in this process and in a range of other environmental activity to develop strategies, policy and position papers.
- o The strengthened corporate focus and range of networks developed during the past year in our Regulatory Affairs Division makes us well positioned to respond in this area. We will need, for example, to develop a position on "sustained development" including a meaningful definition as well as a strategy for involvement in the Round Tables.

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IMPLICATIONS WITHIN ERCL (CONT.D)

- o More stringent standards and stricter enforcement including a move towards more prosecution will demand increasing diligence to ensure compliance.
- o Involvement of various "publics" will continue to grow in all areas of our business from setting of standards and review of licence conditions to development of broader policy. We will need to allow additional time in our schedules to accommodate this.
- o Our organization has a high degree of environmental awareness, however there will be an on-going need to promote sensitivity and ensure integration of environmental planning and management into economic decision-making and to be perceived as doing so as a "way of life".

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