



EUROPEAN PARLIAMENT

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Committee on Development

2011/2308(INI)

19.6.2012

OPINION

of the Committee on Development

for the Committee on the Environment, Public Health and Food Safety

on the environmental impacts of shale gas and shale oil extraction activities
(2011/2308(INI))

Rapporteur: Catherine Grèze

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SUGGESTIONS

The Committee on Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises that numerous studies, and experience from the US, demonstrate that a number of serious risks to the environment and health are associated with shale gas extraction; calls on the Commission, the Member States and the EIB neither to fund nor to otherwise support exploration and exploitation of shale gas and oil in developing countries, given the serious sustainability concerns;
2. Stresses that unconventional shale gas mining may pose serious risks with regard to water contamination caused by the use of hazardous chemicals in the fracturing process; is also concerned at the high amount of water used for the fracturing of fluid and at the potentially high emissions of methane, among other things;
3. Considers that the use of shale gas and other fossil fuels must be consistent with Article 2 of the United Nations Framework Convention on Climate Change (UNFCCC), which calls for the ‘stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system’ and underlines that substantial lock-in to fossil fuel infrastructures such as shale gas could put this international objective out of reach;
4. Considers that increased shale gas exploration and production world-wide will lead to a considerable increase in fugitive methane emissions and that the overall greenhouse warming potential (GWP) of shale gas has not been evaluated; stresses, therefore, that the exploitation of unconventional oil and gas resources could hamper the achievement of UN Millennium Development Goal (MDG) 7 – ensuring environmental sustainability – and undermine the latest international climate change commitments enshrined in the Copenhagen Accord; notes that climate change already affects poor countries the most; stresses, furthermore, that in addition to the direct effects on health and the environment, the impact of unconventional gas or oil extraction on people’s livelihoods poses a particular threat, particularly in African countries where local communities largely depend on natural resources for agriculture and fisheries;
5. Insists that lessons must be drawn from the USA on the exploitation of shale gas; notes with particular concern that shale gas extraction necessitates very large volumes of water, which may make it difficult to achieve the MDG 7 targets concerning access to clean water and food security, especially in poor countries that already face a severe scarcity of water;
6. Underlines that land acquisitions for oil and gas mining are a major driver of land-grabbing in developing countries, which can pose a significant threat to the world’s indigenous communities, farmers and poor people in terms of access to water, fertile soil and food; notes that, following the 2008 collapse of financial markets, there has been a marked acceleration of global investments in extractive industries from hedge and pension funds, with the effect of encouraging more extraction; underlines, therefore, that all

European economic entities should always act in a transparent manner and in close consultation with all appropriate government bodies and local communities on issues of land leases and/or acquisitions;

7. Stresses that hydraulic fracking requires an enormous amount of water, and is concerned that in areas which suffer from drought, local communities and farmers may suffer water shortages if their needs are not prioritised;
8. Notes that because it is unclear whether the current regulatory framework of EU legislation provides an adequate guarantee against the risks to the environment and human health resulting from shale gas activities, the European Commission is undertaking a series of studies expected later this year; considers that the lessons learnt from these studies on shale gas exploitation and recommendations related to it must be fully taken into account by European companies in developing countries; is concerned about the effects of oil companies' activities on the environment, health and development, particularly in Sub-Saharan Africa, given the limited capacity for implementing and enforcing environmental and health protection laws in some countries there; further states that European companies should employ responsible industry standards everywhere they operate;
9. Is worried about potential investment by European companies in unconventional oil or gas resources in developing countries;
10. Stresses that the EU's obligation to ensure policy coherence for development, enshrined in Article 208 TFEU, must be respected; takes the view that, in hosting companies investing in extractive activities, the EU should influence their behaviour to encourage more sustainable practices, such as by strengthening corporate governance standards and regulations applied to the banks and funds that finance them, including by enforcing the Equator Principles, the principles of responsible investment, and the rules of the European Investment Bank and the Basel Committee on Banking Supervision;
11. Recalls that in addition to regulations in the countries where they operate, international oil companies are also subject to the jurisdiction of the courts in the countries on whose stock exchange they are listed; considers that home country regulation should provide an effective means of protecting human rights in situations where accountability gaps exist, on the model of the United States Alien Tort Claims Acts;
12. Notes that many instruments exist that could address the negative social and environmental impact of the activities of extractive industries, such as the Global Reporting Initiative, the UN Global Compact and the OECD Guidelines for Multinational Enterprises; points out, however, that voluntary guidelines are insufficient to mitigate the negative impact of extraction;
13. Notes that the EU Accounting and Transparency Directives are currently being revised, which is an opportunity to prevent tax evasion and corruption by extractive industries;
14. Urges the Commission to identify new options for strengthening standards on the responsibilities of transnational corporations with regard to social and environmental rights and possible means of implementation;

15. Is concerned that some unconventional oil and gas companies operate to different safety standards world-wide; calls for Member States to require companies whose headquarters are in the EU to apply EU standards in all their operations world-wide;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.6.2012
Result of final vote	+: 16 -: 1 0: 9
Members present for the final vote	Thijs Berman, Michael Cashman, Véronique De Keyser, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, Filip Kaczmarek, Michał Tomasz Kamiński, Gay Mitchell, Jean Roatta, Birgit Schnieber-Jastram, Michèle Striffler, Keith Taylor, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi
Substitute(s) present for the final vote	Agustín Díaz de Mera García Consuegra, Gesine Meissner, Csaba Óry, Judith Sargentini, Patrizia Toia
Substitute(s) under Rule 187(2) present for the final vote	Ioan Enciu, Gabriele Zimmer