

PROJECT STATUS REPORT (FINAL)

JULY 2012 - DECEMBER 2012

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Improving Health, Safety & Environmental Standards among SMEs in Energy Sector

Project Number: TT-M1001 - Operation Number: ATN/ME-9560-TT

Result: To develop and promote the widespread use of internationally acceptable industry wide HSE standards and improve HSE performance amongst SMEs

Country Administrator
TRINIDAD AND TOBAGO

Beneficiary Country
TRINIDAD AND TOBAGO

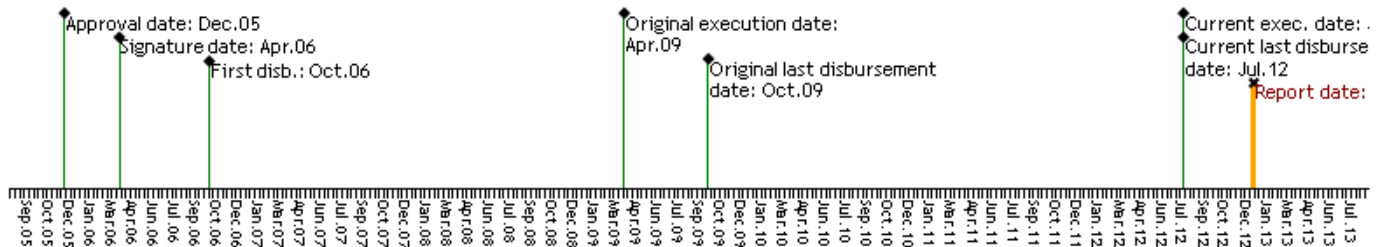
Group
SME - Small and Medium Enterprise
Development

Subgroup
BDEV - Business Development

Executing Agency: South Trinidad Chamber of Industry and Commerce

Design Team Leader: Shepherd, Daniel
Supervision Team Leader: Dookiesingh, Vashtie

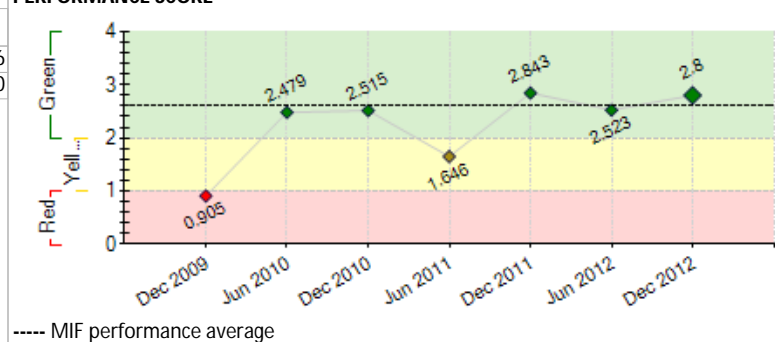
TIMELINE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$415,000.00	\$9,865.04	\$405,134.96
Counterpart	\$0.00	\$175,000.00	\$267,143.00

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

The purpose of the project was partially achieved. As at Dec 2012 the PIU certified 120 companies which exceeded the target of 32. However data to verify if there was 40% less recordable incidents was unavailable.

C I: The STOW HSE standards were created & documented in a Guidance Manual which was circulated to 1000+ contractors. The target was 150. An Administration Manual was also created to document the certification system & governance structure for STOW.

C II: A consulting firm trained 63 persons as Independent Assessors (IAs). Of these 44 are actively working as IAs. The target was 60 trained persons and at least 20 active IAs. The firm also created an Audit Protocol to streamline the conduct of the audit among IAs.

C III: As at 30th Dec 2012, we certified 120 companies.

C IV: The PIU promoted STOW nationally & internationally to more than 2000 persons, exceeding the target of 250-300. The STOW website receives an average of

250 unique visits/ month and hosts the STOW database. STOW received added exposure for winning 2 national awards & being short listed for 2 international awards.

A major risk was the operating cos. not maintaining interest in STOW. To mitigate this risk we lobbied the operating cos. to make STOW certification a must for prequalification & set deadlines for mandatory certification of contractors. We got 22 operating co. CEOs to agree to & publically sign a STOW Charter cementing their support of STOW. This strategy was also used to ensure the sustainability of STOW.

Another risk was contractors not getting certified within the project schedule due to low starting conformance levels to STOW. The PIU hosted technical workshops & created online training modules for general information & 4 elements of STOW, to assist contractors.

We had an initial issue getting a firm to conduct the IA training, but worked with the IDB to simplify the RFP which led to us contracting DNV, a renowned HSE training firm.

There were delays in certification because the Board was reviewing audit reports. To deal with the issue we used a Senior IA to review reports & advise the Board if the IA's recommendation should be accepted.

For sustainability we set up the STOW Implementation Board made up of industry decision makers from the upstream & downstream cos, plus the CEO of the PIU. This ensured that STOW was industry owned & the PIU had a direct link with the CEOs. STOW is now entrenched in the energy industry.

Comments from the Supervision Team Leader

Targeted results for the project have been fully achieved or exceeded and the initiative is fully sustainable. This project was well executed and managed

Final evaluation

Overall, the project was successful, as the purpose which was to develop and promote the widespread use of internationally acceptable industry-wide HSE standards and improve the related performance of SMEs was attained. The overarching goal, however, was not achieved, as there is no evidence of increased market opportunities for the SMEs.

A major factor that made the project successful was the championing and hands on work of the CEO of the Energy Chamber with the support of a strong Steering Committee (STOW Implementation Board) and a dedicated project co-ordinator and administrator, who were all instrumental in making STOW a reality.

For the continued improvement of STOW, the following should be addressed:

? Access to financing for STOW administration.

? Changes in the upstream and downstream operators tendering/procurement practices to incorporate the STOW certificate as part of the pre-qualification process.

? Faster turnaround for SME certification

? Structured development of the Independent Assessors

? Monitoring and addressing Independent Assessor performance and practices

? Consistent delivery and execution of STOW assessment and audits.

? Greater communication with SMEs to understand and address concerns

? Benchmarking and monitoring of impact of STOW on SMEs HSE performance.

? Creating ways to increase market opportunities for SME members

Comments from the Supervision Team Leader

Partially agree with the Evaluators comments

The evaluator was unable to assess the extent of market opportunities that SMEs could access with the STOW certification due to failings in the methodology utilized and low response rates to surveys. In essence participating upstream energy companies have mandated use of STOW qualified local service companies and contractors in their value chain

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=38640122>

SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage
Result: To develop and promote the widespread use of internationally acceptable industry wide HSE standards and improve HSE performance amongst SMEs Classification: High Satisfactory	R.1 Total number of SMEs certified in the uniform "Minimum HSE Prequalification Standards" that are accepted/prequalified by major upstream and downstream operators	0	40	120	300 %
Component 1: Development of uniform health, safety and environmental (HSE) standards Weight: 24% Classification: High Satisfactory	C1.1 A framework of uniform HSE minimum standards is developed documented and adopted by key upstream and downstream operators as a basis for prequalifying service providers and sub contractors	0	1	1	100 %
Component 2: Development of local capacity for training and certification Weight: 20% Classification: High Satisfactory	C2.1 HSE professionals trained to implement and/or audit the minimum HSE prequalification requirements developed and adopted by upstream and downstream operators under component 1	0	60	63	105 %
	C2.12 Service providers certified by industry and actively providing services for implementation of HSE standards and/or certification in companies.	0	18	44	411 %
Component 3: Implementation of HSE	C3.1 Total number of Small and Medium Enterprises (SMEs) achieving certification under the "Minimum HSE Prequalification Requirements" system designed and adopted under Component 1	0	40	43	300 %

Standards among SMEs
Weight: 33%
Classification: High Satisfactory

Component 4: Promotion of HSE Standards and dissemination of results
Weight: 23%
Classification: High Satisfactory

C4.11	Persons exposed to information on the project and the benefit derived via the design, adoption and monitoring of uniform HSE standards	0	350	2000	571 %
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Milestones	Planned	Due Date	Achieved	Date achieved	Status
M1 Previous Conditions	4	Oct 2006	4	Oct 2006	Achieved
M2 GAP analysis to review the current HSE related standards used in the sector	1	Oct 2008	1	Feb 2007	Achieved
M3 Definition of uniform HSE standards for the sector	1	Oct 2009	1	May 2007	Achieved
M6 Adoption and Publication of HSE Standards	1	Oct 2009	1	Jun 2007	Achieved
M4 Definition of system for tier certification to the uniform HSE standards and monitoring	1	Apr 2010	1	Jun 2007	Achieved
M8 [*] Training and certification of HSE professionals for implementation of the uniform HSE standards and audit of SMEs wishing to certify to the uniform HSE standards	30	Apr 2010	31	Apr 2009	Achieved
M8 [*] Implementation of HSE standards by 40 SMEs	40	Oct 2010	43	Dec 2011	Achieved late

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Purchase difficulties

SECTION 4: RISKS

CRITICAL RISKS MANAGED DURING IMPLEMENTATION

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 0 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 2

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: HP - Highly Probable

The project has been sustained and is expanding a full year after completion of MIF investment

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been implemented:

The PIU established an effective Board made up of decision makers with HSE backgrounds from the operating cos, plus the PIU's CEO, to govern the project. The Board facilitated buy-in from operating co. CEOs & strengthened the HSE technical capability of the PIU. The PIU ran several technical workshops, attended & presented at contractor sessions; & held 1-1 meetings to ensure that contractors could get certified. The PIU developed a STOW Charter and got 22 operating cos to sign it, agreeing to use STOW to prequalify contractors. Complaints from contractors that some of the operating companies had not changed their internal prequalification processes to include STOW led to added lobbying by PIU for the operating cos to sign an updated Charter. This Charter referred the cos putting in place all internal procedures and systems to fully implement STOW & included a December 31st 2013 deadline.

The PIU is working on the financial sustainability of STOW. As STOW becomes a permanent fixture in the energy sector, the PIU will need additional staff. The operating companies have pledged their support and but the PIU is also looking at other

[Sustainability Plan](#)

<http://mif.iadb.org/file.aspx?DOCNUM=>

SECTION 6: KNOWLEDGE

Lessons learned

1. In hindsight, the Assessor pool should have been an "entity" within the PIU. As it currently stands, the contractor requests an audit, the PIU assigns an Assessor and after that point all arrangements for the audit are made with the Assessor & the contractor pays the Assessor directly. This leaves all aspects of the audit up to the discretion of the Assessor. For tighter management of the project, a better system would be for the PIU to make all the arrangements for the audit including timeframe for the audit, cost of the audit etc. The contractor would pay the PIU & the PIU would pay the Assessor. The PIU is moving have Assessors as a part of the PIU's operations.

2. The Charter was an excellent idea and having it signed publicly was even better. It allowed us to hold CEOs accountable to their commitment. The updated Charter which includes operating companies working on their internal prequalification systems and a 31st December 2013 deadline for certification of high risk contractors has gone further to close loopholes in the system.

3. Having dedicated staff with strong project management and administration skills contributed to the success of STOW. Having strong support from the other departments of the Chamber such as the finance dept, was also a great advantage.

Relative to Sustainability

Author
Reece, Natalie

Sustainability

Reece, Natalie

Sustainability

Reece, Natalie

In the case of STOW, the technical capability of the PIU was strengthened by the STOW Board. However, it would be an advantage to have technical capability within the PIU.

4. The PIU needed to do more upfront work engaging contractors on STOW. We met with about 100 contractors to explain STOW and the STOW HSE requirements after they were created but we really concentrated our efforts on the major oil & gas operating companies at the beginning of the project.

This resulted in many contractors not being aware of STOW and its implications for them. Also, we should have had joint contractor sessions with the operating companies in the early stages. Due to the fact that the Chamber was disseminating all the information on STOW, contractors thought STOW was a "Chamber thing". It was only when the operating companies started announcing that STOW was a requirement of work at their sites that contractors started taking notice and got into action implementing the standards.

5. The engagement process with the oil & gas operating companies to create the STOW HSE standards worked extremely well. The contracted consultant held workshops with HSE teams from each operating companies for consensus on what the final STOW standards would be. This gave the CEOs the confidence that the standards would meet their requirements for contractors working safely on their sites. The STOW HSE standards was readily accepted by the CEOs in June 2007 due to the involvement of their HSE teams.

6. When dealing with smaller grants, the IDB should simplify some of its procedures. We experienced a delay in Component II because we did not get a training firm in the 1st procurement round. Feedback from interested firms indicated that the RFP was too onerous and a simpler version was needed.

We worked with the IDB to simplify the RFP and was successful in getting a training firm for Component II.

7. From the beginning the PIU should have established a technical committee from industry, to provide technical support to the Board. This would have avoided the Board getting involved in operational areas of STOW i.e review of audit reports & allowing members to concentrate solely on strategic matters.

8. One of the first lessons we learned is the value of having a highly effective & dedicated Board to govern the implementation of STOW.

Very early in the project, we established the STOW Implementation Board, comprising HSE leaders in the energy industry, and the CEO of the Energy Chamber sitting as Chairman.

It made a tremendous difference to have the Board oversee the project. The establishment of the Board immediately heightened the profile of STOW and afforded a high level of governance, transparency, accountability and credibility for the project.

Board members provided a range of technical expertise and independent views which strengthened the decision making process and the project in general, and built HSE capacity within the Chamber itself.

The STOW Board also contributed greatly in pushing the operating companies to make STOW a requirement of doing business in the energy sector.

Implementation Reece, Natalie

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Implementation Reece, Natalie

Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

The STOW system, specifically the key HSE prequalification requirements agreed for the TT energy sector could be utilized in other energy sectors in English speaking countries

Main products of the project

[Sep 2006] Terms of Reference for HSE Standards Development Expert (Handbooks/Procedure guides)

Author: STCIC

[Mar 2008] STOW Leaflet (Marketing materials/communication)

Author: Advertising Agency

[Nov 2008] Terms of Reference for STOW-OSHA Consultant (Handbooks/Procedure guides)

Author: STCIC

[Jan 2009] Independent Assessor Training presentation (Methodologies/training materials)

Author: Consultant

[Mar 2009] Gap analysis between the TT OSHA and STOW (Technical publications)

Author: ALFRED B PHILLIPS

[Apr 2009] STOW Leaflet (Marketing materials/communication)

Author: Advertising Agency

[May 2009] List of STOW Independent Assessors (Consultants Directory)

Author: STCIC

[Sep 2009] Procedural Manual for Component III (Handbooks/Procedure guides)

Author: STCIC

[Jan 2010] STOW Flyer (Marketing materials/communication)

Author: Advertising Agency

Stories of Change

<http://www.fomin.org/apps/public/psr/storyofchange.aspx?id=103&lg=EN>

SECTION 7: DOCUMENTS

08/FEB/2007 [Donors Memorandum](#)

[<http://www.fomin.org/file.aspx?DOCNUM=899818>]

27/FEB/2014 [Final Evaluation Report](#)

[<http://www.fomin.org/file.aspx?DOCNUM=38640122>]

[Project profile](http://www.fomin.org/apps/public/psr/projectprofile.aspx?proj=TT-M1001&lg=EN)<http://www.fomin.org/apps/public/psr/projectprofile.aspx?proj=TT-M1001&lg=EN>