Multilateral Investment Fund
Member of the IDB Group

PROJECT STATUS REPORT
JANUARY 2012 - JUNE 2012

SECTION 1: PROJECT SUMMARY

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

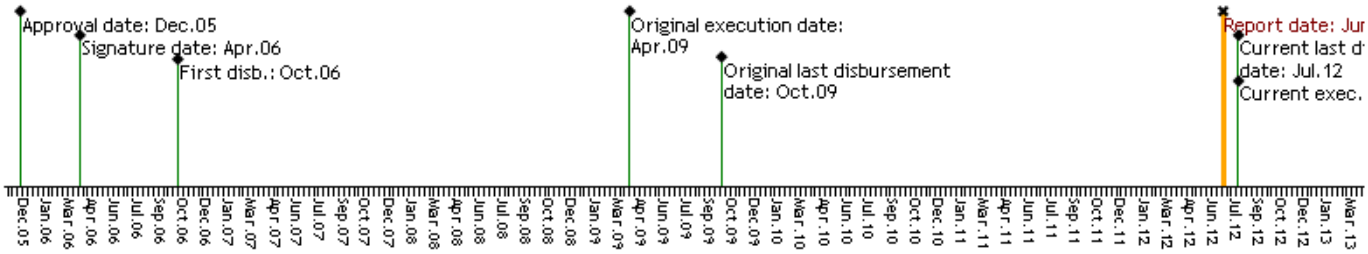
Project Number: TT-M1001 - Operation Number: ATN/ME-9560-TT

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

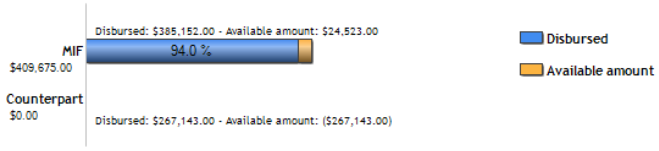
Country Administrator	Beneficiary Country	Group	Subgroup
TRINIDAD AND TOBAGO	TRINIDAD AND TOBAGO	SME - Small and Medium Enterprise Development	BDEV - Business Development

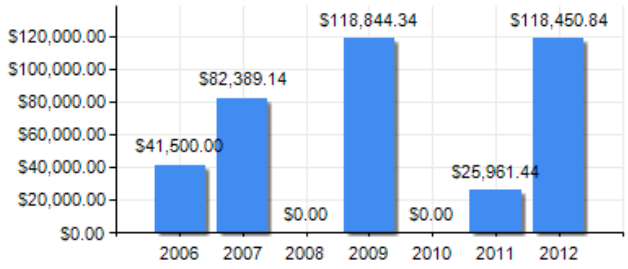
Executing Agency:	South Trinidad Chamber of Industry and Commerce	**Design Team Leader:**	Shepherd, Daniel
		Supervision Team Leader:	Dookiesingh, Vashtie

TIMELINE

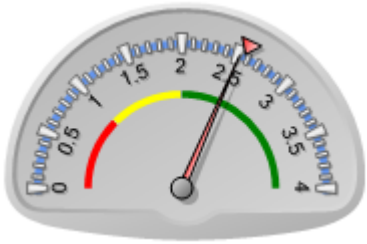


FUNDS

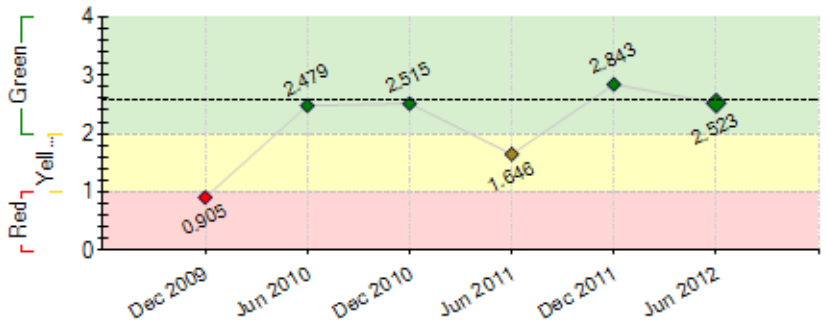




PERFORMANCE SCORE



Current score: Satisfactory: 2.523
MIF Average: 2.568

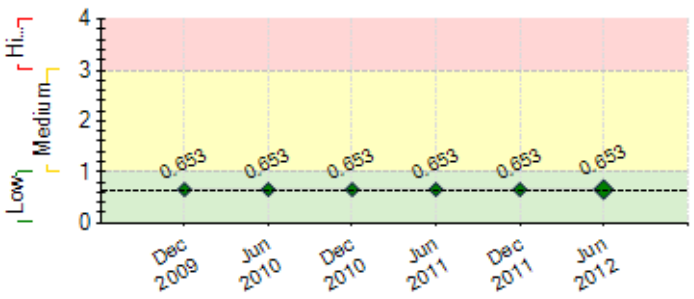


----- MIF performance average

EXTERNAL RISKS

INSTITUTIONAL CAPACITY

	Risk
Financial Management:	---
Procurement:	---
Technical Capacity:	---



---- MIF risk average: 0.629

SECTION 2: PERFORMANCE

Summary of project performance since inception

The PIU successfully completed and surpassed targets under all components of the project. Under component I, the STOW HSE requirements were created and documented in a Contractor Guidance Manual which were disseminated to over 900 contractors. The target was disseminating to 150 contractors.

Under component II, 63 persons received the Independent Assessor training, of which 44 were authorized to work as Assessors. The target was to have 60 persons trained and at least 20 working as Assessors.

Under component III, we certified 74 contracting companies. The target was 40 certified companies.

Under component IV, we have far surpassed the 250-300 target for the number of persons made aware of the project. We estimate that we have promoted the project and disseminated information to approximately 2000 persons.

The project was also audited without issue and the report on the evaluation of the project is currently being finalized for the IDB.

The execution of the project is now complete. However, given that 70 out of the 74 certified companies were certified between January 2011 - June 2012, it is difficult to verify if there has been a 40% reduction in recordable incidents as a result of STOW certification. We have begun collecting data from contracting companies and will monitor the statistics.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments
The project has been successfully executed by the Energy Chamber with original targets achieved, despite some initial delays experienced in procurement of key consultants engagement and certification of companies.

Summary of project performance in the last six months

The PIU finished the remaining activities under components III & IV; prepared the financials for the audit of the project and assisted with the final evaluation of the project.

We got the operating companies to agree to a June 30th deadline for certification of high risk contractors and this led to the certification of 31 companies during the semester. A total of 74 companies have been certified under component III.

Component III was the major cause of delay of the project. This was due to contractor's HSE management systems (HSEMS) not being as advanced as estimated. Therefore, it took much longer than expected to bridge the gap between contractor's HSEMS and STOW.

Under component IV we completed the following:

- the development of a STOW database to maintain records on the certification of companies
- the development of the content for 4 online STOW training modules
- the upgrade of the STOW website

The PIU prepared the financial statements for the audit of the project and assisted the auditors with all queries on the financing of the project. The financial report was submitted to and approved by the IDB.

The PIU met with the consultant contracted to evaluate the project and provided the requested data/ information. We set up interviews between the consultant and stakeholders and organized the key findings workshop for the consultant to discuss the findings of the evaluation with stakeholders of the project.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

		Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Result: To develop and promote	**P.I1**	Total number of SMEs certified in the uniform "Minimum	0	8	40		40	74	

the widespread use of internationally acceptable industry wide HSE standards and improve HSE performance amonst SMEs		HSE Prequalification Standards" that are accepted/prequalified by major upstream and downstream operators		Apr 2009	Oct 2010		Oct 2010	Jul 2012	
Component 1: Development of uniform health, safety and environmental (HSE) standards **Weight:** 24% **Classification:** High Satisfactory	**C1.I1**	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 Dec 2007				1 Oct 2009	1 Jun 2007	Finished
Component 2: Development of local capacity for training and certification **Weight:** 20% **Classification:** Satisfactory	**C2.I1**	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 Oct 2009	63 Feb 2011	
	C2.I2	Service providers certified by industry and actively providing services for implementation of HSE standards and/or certification in companies.	0				18 Oct 2010	44 Aug 2011	
Component 3: Implementation of HSE Standards among SMEs **Weight:** 33% **Classification:** Satisfactory	**C3.I1**	Total number of Small and Medium Enterprises (SMEs) achieving certification under the "Minimum HSE Prequalification Requirements" system designed and adopted under Component 1	0	20 Oct 2008	40 Oct 2010		40 Oct 2010	43 Dec 2011	
Component 4: Promotion of HSE Standards and dissemination of results **Weight:** 23% **Classification:** High Satisfactory	**C4.I1**	Persons exposed to information on the project and the benefit derived via the adesign, adoption and monitoring of uniform HSE standards	0 Apr 2006				350 Oct 2010	2000 Oct 2010	Finished

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 professionsls 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	Not accepted
M8	[*] Implementation of HSE standards by 40 SMEs	40	Oct 2010	43	Dec 2011	Not accepted

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[None reported in this period]

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. SMEs current HSE Management Systems too low to achieve compliance to HSE requirements in project timeframe	Medium	Ensure that selected SMEs are at least compliant with Trinidad & Tobago OSHA.	Project Coordinator
2. Stakeholders in the energy sector do not sustain interest in implementation of uniform HSE standards	Medium	---	---
3. The domestic legal framework does not support implementation of HSE standards and energy sector executives do not endorse the standards as defined	Low	---	---

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

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion:

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which will be or have been implemented:

Sustainability of the programme going forward depends on the following:
1. All signatories of the STOW Charter honouring the STOW certificate during their prequalification process.
Several of the major oil and gas companies that signed the Charter are already honouring the STOW certificate but we need to get all signatories on board. The STOW Implementation Board (IB) will be putting pressure on these signatories to request STOW certification of their contractors, during the prequalification

process.

2. Financial sustainability
Now that the project has ended, and IDB funds are no longer available, the programme has to either be financially supported by the enerygy industry or financially self-supporting. We have created and presented a budget to the STOW IB and the Chamber's Council and discussion has begun with the industry on the financing of the programme.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Although the leadership of the large upstream energy companies agreed to accept a shared industry standards, the translation of this support into specific processes in prequalification and procurement to consider only companies that had obtained certification took a longer time than envisaged. The process accelerated when 2 leading firms in the energy sector established a policy that they would transact business only with service companies and suppliers certified in the industry standards promoted through the project	Implementation	DOOKIESINGH, VASHTIE *[MIF]*
2. Procurement of consultants that were acceptable to the key energy multinationals to deliver training and to certify the local tariners and auditors for the standard was a critical factor in sustaining engagement and buy in	Sustainability	DOOKIESINGH, VASHTIE *[MIF]*
3. Although target beneficiary companies have been active in the energy sector for many years they did experience a higher level of difficulty than envisaged in achieving the certification in health safety and environmental standards established by the project. This necessitated an extension in the period for execution as originally planned	Implementation	DOOKIESINGH, VASHTIE *[MIF]*