

# PROJECT STATUS REPORT

JULY 2011 - DECEMBER 2011

## 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

**Purpose:** 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

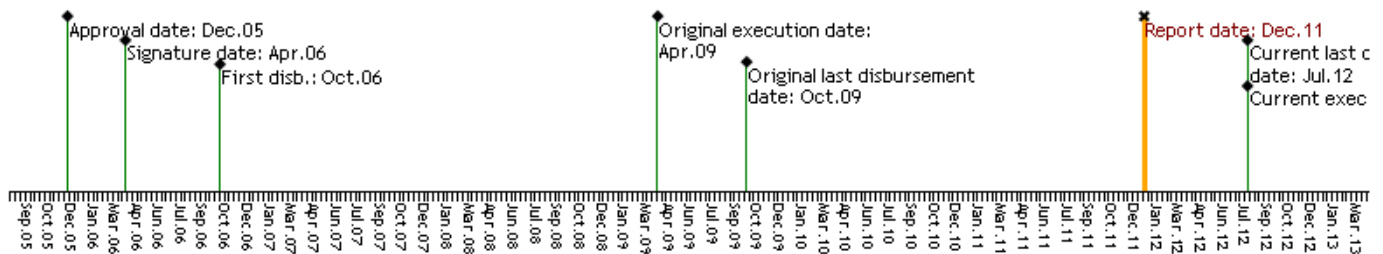
**Group**  
SME - Small and Medium Enterprise  
Development

**Subgroup**  
BDEV - Business Development

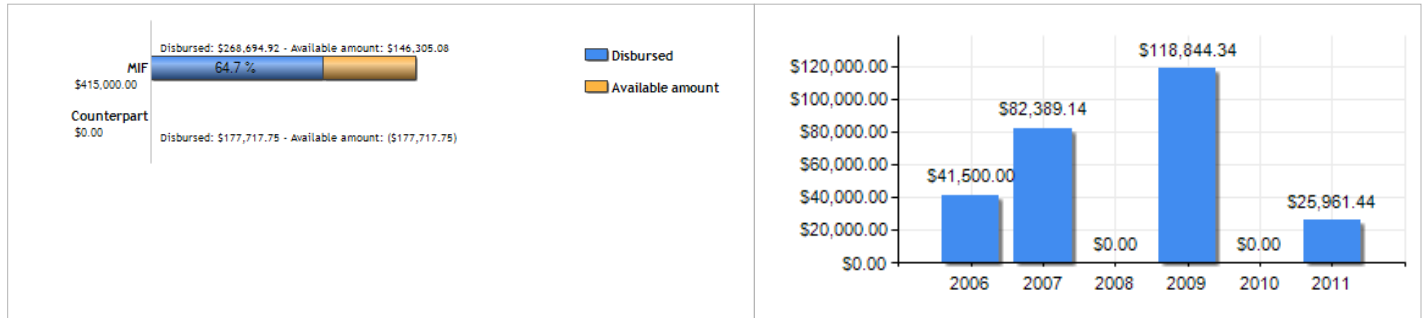
**Executing Agency:** South Trinidad Chamber of Industry and Commerce

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

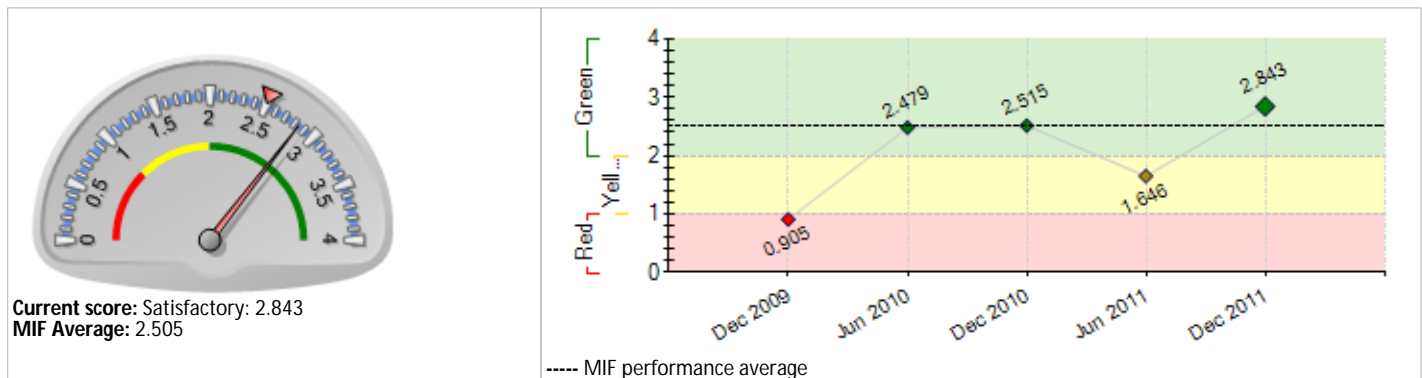
### TIMELINE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

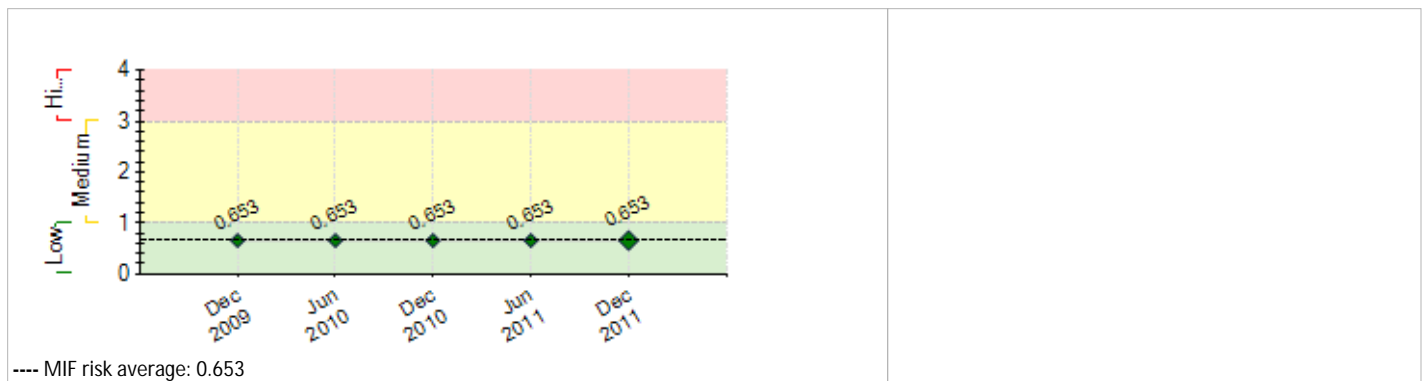
### INSTITUTIONAL CAPACITY

**Risk**

Financial Management: ---

Procurement: ---

Technical Capacity: ---



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

The PIU has now achieved all of its targets for the project.

Component I: The STOW HSE requirements were created and have been accepted by 23 of the major oil and gas companies, who signed a Charter to this effect.  
Component II: 18 Senior Assessors and 26 Assessors are authorized to work under the STOW project.

Component III: 43 companies have been certified under the project - 11 of these received grant funds from MIF to get ready for certification.

Component IV: Knowledge of STOW is now widespread among the energy industry contractor population - letters were sent out to all high risk contractors advising of STOW and of the need to be certified to remain on bid lists.

The project experienced challenges in getting companies certified. The premise at the start of the project was that local contractors had formal HSE management systems (HSEMS) but were burdened by the different HSE standards among their clients. However, during implementation it was realized that many contractors, esp the smaller ones, have no formal HSEMS and had to do a lot of work to get ready for certification.

To complete the project, the PIU will concentrate its efforts on the 7 SMEs in the pilot that are yet to be certified. These SMEs are in the final stages of implementation. We also have consultancies in train to develop online training for SMEs on STOW and will also focus on upgrading the project website to make it more user friendly for visitors.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

The PIU spent time lobbying the 23 operating companies to communicate with their contractors on STOW. 12 of them set and held to a Dec 31, 2011 deadline for certification of their high risk contractors, while the others opted to set deadlines in 2012.

The tactic of having the operating company issue communication on STOW and on the deadline directly resulted in 25 contractors being certified during the period. A total of 43 companies are now certified. 5 additional companies were recommended for certification and the reports will be tabled at the 1st STOW Board meeting in 2012. An additional 43 companies applied for the STOW audit during the semester and have been assigned an Assessor. These companies will be audited during this semester.

A significant amount of time was spent with contractors to ensure that they had all the information on STOW as well as a clear understanding of what was required to become certified. The PIU was present at all operating company contractor sessions and hosted a major contractor session in Sept 2011. The PIU also collaborated with NGC to host another major contractor session in Nov 2011.

Additionally, the PIU met with Assessors to prepare them for the influx of applications for the STOW audit, given the year end deadline.

The year ended with a cocktail session to celebrate the contractors who had applied for the STOW audit and importantly, those who had achieved certification.

#### 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
<b>Purpose:</b> To develop and promote the widespread use of internationally acceptable industry wide HSE standards and improve HSE performance amongst SMEs	<b>P.11</b> Total number of SMEs certified in the uniform "Minimum HSE Prequalification Standards" that are accepted/prequalified by major upstream and downstream operators	0	8	40		40	43	
			Apr 2009	Oct 2010		Oct 2010	Dec 2011	
<b>Component 1:</b> Development of uniform health, safety and environmental (HSE) standards  <b>Weight:</b> 24%	<b>C1.11</b> 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	0	Finished
		Dec 2007				Oct 2009	Oct 2009	

<b>Classification:</b> High Satisfactory								
<b>Component 2:</b> Development of local capacity for training and certification <b>Weight:</b> 20% <b>Classification:</b> Satisfactory	C2.11	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	0	Finished
	C2.12	Service providers certified by industry and actively providing services for implementation of HSE standards and/or certification in companies.	0			18	0	Finished
<b>Component 3:</b> Implementation of HSE Standards among SMEs <b>Weight:</b> 33% <b>Classification:</b> Satisfactory	C3.11	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	40	40	43	On Course
				Oct 2008	Oct 2010	Oct 2010	Dec 2011	
<b>Component 4:</b> Promotion of HSE Standards and dissemination of results <b>Weight:</b> 23% <b>Classification:</b> 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	On Course
			Apr 2006			Oct 2010	Oct 2010	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
M0 Previous Conditions	4	Oct 2006	4	Oct 2006	Achieved
M1 GAP analysis to review the current HSE related standards used in the sector	1	Oct 2008	0	Oct 2008	Achieved
M2 Definition of uniform HSE standards for the sector	1	Oct 2009	0	Apr 2010	Achieved
M3 Adoption and Publication of HSE Standards	1	Oct 2009	0	Oct 2009	Achieved
M4 Definition of system for tier certification to the uniform HSE standards and monitoring	1	Apr 2010	0	Apr 2010	Achieved
M5 [*] 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
M6 [*] 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***[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	---	---
<b>PROJECT RISK LEVEL:</b> Low <b>TOTAL NUMBER OF RISKS:</b> 3 <b>IN EFFECT RISKS:</b> 3 <b>NOT IN EFFECT RISKS:</b> 0 <b>MITIGATED RISKS:</b> 0			

**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY***[None reported in this period]***Actions related to sustainability which will be or have been implemented:**

The PIU lobbied the major oil and gas companies to communicate with their contractors on STOW and got 12 of them to set a December 31, 2011 deadline for certification of their high risk contractors. The PIU also got commitment from the other operating companies to set deadlines in 2012. The PIU will be following up with these companies to ensure that the deadlines are set.

**SECTION 6: PRACTICAL LESSONS**

1. Another significant lesson has to do with the STOW's focus on the practical application of HSE best practices. Prior to STOW, HSE screening of contractors was merely a paper based exercise.	Relative to Implementation	Author Reece, Natalie
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Since STOW has come into effect, operating companies have noticed that contractors who previously were qualified are not meeting the STOW requirements. This is because the STOW audit does not simply focus on the HSE documents but also on whether or not the documented policies and procedures are communicated throughout the company and practiced on the ground.

2. Another key lesson was that in order to advance the project it was imperative to move STOW from being a voluntary industry requirement to making it mandatory for work in the industry. We worked with the operating companies to achieve this objective and again, the visible involvement of the industry in the process i.e. setting deadlines for mandatory STOW certification, led to contractors immediately taking action to get ready for certification.

3. Having the STOW Implementation Board comprising industry HSE leaders governing the implementation strengthened the project and contributed to its sustainability.

4. One of the biggest lessons learnt from the project has been the value of having a specific component to promote the project. The work done under Component IV secured commitment from the major operating companies and led to their visible association to the project. The end result was the creation of the STOW Charter with 22 oil and gas companies signing it. Having funds available for promoting the project facilitated the engagement of stakeholders at all levels and through various media i.e. contractors, upstream & downstream sectors, general public. The component also gave structure to designing educational programmes that may not have been otherwise conceptualized.

We also learned that industry self regulation requires institutional capacity. Having dedicated and experienced staff in the project implementation unit was key components in this regard.

Implementation Reece, Natalie

Sustainability Reece, Natalie

Design Reece, Natalie