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**Environmental Management in the
International Oil and Gas Industry:
bridging cultures**

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Waiting for Godot ...

Two Iranians, a Japanese, a Briton and me (in the middle) at Hamid railway station in Azadegan in Iran, waiting in the midday heat of 45°C for a train that will never arrive ...

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What I would like to do ...

- is to share experience on topics of environmental management in a number of different countries
- I am a biologist by background
 - BSc: biology and chemistry with mathematics and physics (Amsterdam)
 - MSc: plant physiology with biological toxicology and theoretical biology (Utrecht): two years of research
- I have been with Shell since 1975
 - originally as a research scientist (environmental toxicology and chemistry)
 - since 1988 in environmental (and HSE) management, especially for the exploration and production business
- I am now an independent environmental management consultant

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Work experience

- 2008: independent environmental management consultant
- 2004: EP Global Environment Lead (policy and strategy)
- 2002: Iran: corporate HSE & SD manager
- 2001: Nigeria: HSE data management advisor
- 1997: Abu Dhabi: corporate environmental advisor (Abu Dhabi National Oil Company)
- 1996: environmental advisor for new business development in CIS; environmental auditor; principal environmental management lecturer
- 1993: environmental management advisor; environmental impact assessment
- 1990: Oman: head of environmental affairs
- 1988: environmental advisor; environmental management development and planning

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Work experience (2)

- 1984: head of the Shell Education Service in the Netherlands (extension to schools and universities)
- 1981: environmental toxicology advisor
- 1978: research scientist (environmental chemistry)
- 1975: research scientist (environmental toxicology)
- (1974: tasks analyst, Royal Dutch Army Training Command – national service)
- (1971: teacher of biology, Dutch grammar and comprehensive schools, part-time)

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Topics to be discussed

- environmental baseline studies
(Kazakhstan, Russia)
- environmental impact assessment
(Russia, Kazakhstan, Abu Dhabi, Iran)
- introducing environmental (or HSE) management systems
(Kazakhstan, Abu Dhabi)
- learning from environmental audits
(Colombia, Australia, Thailand)
- the role of national oil companies
(Oman, Abu Dhabi, Iran)

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Environmental baseline studies

- Kazakhstan: offshore seismic (Caspian Sea)
 - unique environment; endemic species; fisheries interests
 - possibility to combine Kazak taxonomic expertise and Western ecosystem studies approach (capacity building)
- Russia: brownfield development (Western Siberia)
 - use of University of Moscow botanical and soil science expertise

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Environmental impact assessment

- Russia: greenfield and brownfield development (Western Siberia)
 - finding a format meeting Russian OVOS requirements while using a Western approach
 - working with regulatory agency staff: personal agreement and public decisions
 - “make work” and appropriate technology
- Kazakhstan: offshore seismic (Caspian Sea)
 - impact assessment and project development phasing; the time pressure of project development; the time value of money
 - environmental management and impact assessment courses for Kazak regulatory and research personnel

Environmental impact assessment (2)

- Abu Dhabi: self regulation in ADNOC
 - corporate HSE department: regulator for oil and gas industry
 - retrospective impact assessment to set baseline
 - working with Abu Dhabi and UAE environmental authorities to develop legislation
 - developing HSE codes of practice
- Iran: buy-back contracts and NIOC
 - getting NIOC on board and to accept the cost as part of the contract
 - developing a working relationship with DoE and NIOC that satisfies both

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Introducing environmental (or HSE) management systems

- Kazakhstan: offshore seismic (Caspian Sea)
 - Kazak operator for international consortium
 - fundamental change in business management
 - creating transparency using an international industry standard management system
 - secondees from international consortium partners
- Abu Dhabi: Abu Dhabi National Oil Company
 - ADNOC choice to ensure partnerships with international oil and petrochemical companies
 - step change for ADNOC Group companies without international industry shareholders

Learning from environmental audits

- Colombia: introducing international practice in a local operating company
 - acknowledge local achievements
 - maximise co-operation between international and local audit team members
 - continually evaluate audit findings to optimise local learning
- Australia: dealing with upstream and downstream HSE cultures
 - from blame culture to the identification of opportunities to improve performance and management structures and controls

Learning from environmental audits (2)

- Thailand: the sensitivities of Asian culture
 - ensure that interviewees have all the opportunity to make their argument
 - stress achievements before addressing shortfalls
 - let local audit team members lead interviews
 - make sure that international audit team members do not interrupt and only bring up issues at the conclusion of audit interviews

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The role of national oil companies

- General:
 - national oil companies tend to be a “state in the state”
- Oman:
 - “not invented here”: the need to localise policy, strategy and procedures and work instructions
 - work with company’s interest in mind, not the Shell interest
- Abu Dhabi:
 - take the opportunity to set the agenda
 - ensure working relationships with Abu Dhabi and federal regulatory authorities
 - maximise local learning

The role of national oil companies (2)

- Iran:
 - the history of oil and gas in Iran; suspicion of being bought off
 - buy-back contracts are too short for effective HSE management to be transferred to the national operator
 - Iranian content requirements are a challenge and provide a long-term opportunity
 - short-termism favours second-best companies as contract partners (Russia, China, Malaysia)
 - long-term energy supply strategy of e.g. Japan affects commercial realities

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Conclusions

- build mutual respect and trust (on a personal basis)
- recognise the importance and sensitivities of national cultures
- optimise national contributions and the use of local expertise and look for “win-wins”
- find the right balance between self regulation and the requirements of national regulation
- capacity building is a powerful tool to gain acceptance in the long term
- maximise in-country learning and development

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