

International Partnerships to Improve Oil Spill Preparedness, Prevention and Response

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Hello everyone.

My name is Brian Sullivan. I am the Executive Director of IPIECA, the global oil and gas industry association for environmental and social issues.

I would like to thank the Petroleum Association of Japan for their kind invitation to speak to you today. This is my first visit to Japan, a country I have always wanted to visit and I am grateful for the PAJ's hospitality during my stay in your wonderful city.

This presentation will show how international partnerships are a great way to improve oil spill prevention, preparedness and response.

I will show 3 different partnership models that have successfully worked to develop and share good practice on an issue that is vital to the oil and gas industry's licence to operate.

I will explain how to find out how to join in and participate in this work going forward.

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The first partnership model for international cooperation that I want to share with you is in fact the organization I have the privilege to lead.

IPIECA is the global oil and gas industry association for environmental and social issues. It was formed in 1974 following the launch of the United Nations Environment Programme when the UN asked industry to set up channels of communication with the programme. To this day, we remain the primary representative of the global oil and gas industry with this important body. IPIECA is the only global association involving both the upstream and downstream oil and gas industry on environmental and social issues. Our vision is for an industry where the environmental and social performance of our operations and products exceeds stakeholder expectations.

We have 9 working groups covering a broad range of technical disciplines within the themes of Climate and Energy; the Environment and Social Responsibility. The working groups develop and share good practice and publish guidance which is freely available to all on our website. The most relevant example for this event is our oil spill working group, which brings together experts from our member companies and other key stakeholders such as the IMO, ITOPIF, Oil Spill Response Limited (OSRL) and IOPC Funds, some of whom you will be hearing from today.

To become an IPIECA company member, applicants must be companies engaged in oil and gas exploration, production or refining. Our membership covers over 60% of the world's oil and gas production. Our members directly employ over a million people in 146 countries.

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We have a growing membership, currently showing 38 companies and 16 associations. The companies represented include all the supermajors, several national oil companies and a growing number of independents who find us an efficient way to access best practice and peer learning across the spectrum of environmental and social issues. You will see that Japan is represented on here through the membership of Inpex, JPEC and of course our kind hosts, PAJ.

I think you will agree that this is a very diverse group of organisations, many of whom have differing perspectives, however when working together in IPIECA, we adopt some important values to bind us together.

The most important value is consensus. What we do as an association and what we say is all based on the consensus of the membership. We believe this is the most powerful way to achieve improvement in environmental and social performance across the industry.

Uptake of our guidance and participation in our work programmes is voluntary. This forces us to work on topics that matter to our members and develop guidance that will be used.

We are not a lobbying organisation and do not advocate industry positions to governments. We do however, provide fact based evidence when requested and our primary audience is the United Nations and their subsidiary bodies.

Our last value and possibly the most important is that we are an inclusive organisation. It is relatively easy for companies and associations to join IPIECA and almost all our guidance and tools are available to download from our website.

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We are currently celebrating our 40th anniversary as an association.

The main way we marked the anniversary was with an event in London featuring speakers such as Christiana Figueres, the head of the UN Framework Convention for Climate Change (in the top left picture) and Koji Sekimizu, the Secretary General of the International Maritime Organisation, the IMO (in the bottom right).

The theme of the conference and the whole anniversary is “the power of partnerships”. We have highlighted the successful partnerships we have developed up to now and also invited others to join us to work in partnership to address many of the important environmental and social issues facing the world and the industry as a provider of energy.

You will hear more about our work with the IMO later in this presentation.

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The United Nations Conference on Environment and Development, held in Rio in 1992, initiated much debate on the role of different actors in society. A key message from this conference was that sustainable development would only be achieved if all nations and all sectors of society find effective means of working together. Since then IPIECA has been heavily involved in the evolution of oil and gas industry cooperation with stakeholders: from being narrowly focused on technology cooperation to embracing broader sustainable development goals.

The past decades have seen a step change in the number of multi-stakeholder partnering initiatives in the oil and gas industry. There are different variations on the partnering set-up taking into consideration the why, where, what and who dimensions that you can see on the slide.

I will now provide some examples of partnerships that IPIECA has been involved with which are beyond the scope of oil spill response. Although the subject matter is different, they have provided experience and learning that can be carried across into our work on oil spill response.

I will then summarise what IPIECA considers to be key success factors that enable the creation of successful partnerships before I move on to talk about the 2 specifically oil spill partnerships.

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Firstly the Energy and Biodiversity Initiative was a partnership of companies and NGOs. The initiative's goal was to develop practical guidelines, tools and recommendations to promote integration of biodiversity conservation into oil and gas operations throughout the industry. The partners provided financial support and also made a major commitment of senior staff involvement. All participants equally shaped and developed EBI's objectives, structure and outputs through a dynamic and inclusive dialogue.

The EBI evolved over four years, developing recommendations, tools and guidance on key topics followed by dissemination and promotion of industry application of the EBI products. The credibility of the work was underpinned by the partnership between industry and the NGO's.

Launched in 2000, the Voluntary Principles on Security and Human Rights is an international tripartite initiative designed to assist energy and extractive companies in maintaining the security of their operations globally while ensuring respect for human rights.

The Voluntary Principles process involves a diverse set of stakeholders, often in opposition to one another, who have been able to identify common interests and work together constructively. As expected, such a process is extraordinarily difficult to manage and requires care to balance the different stakeholder interests. The Voluntary Principles initiative demonstrates that a tripartite partnership can begin to address issues that may be impossible for any single actor to attempt to resolve alone.

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Moving on from partnerships associated with the environmental and social risks associated with our operations, I will now highlight 2 partnerships associated with the use of our products.

The 'Well-to-Wheels' study was a partnership between the European Commission, the European automotive industry and the European refining and marketing industry. The study objective was to develop a consensual view of the relative merits of a large number of alternative fuels and powertrain pathways. The primary focus was on well-to-wheel energy use and greenhouse gas emissions assessment.

The study successfully anticipated the European governments' and regulators' increased focus on alternative road fuels and vehicles to address issues of CO2 emissions and long-term security of supply. The study results were used as a basis for discussions and policy recommendations in many high level meetings of the European Commission. The key to credibility here was the cross-sector system based approach, together with the involvement of the government research agency.

Launched at the 2002 World Summit on Sustainable Development, the global Partnership for Clean Fuels and Vehicles assisted sub-Saharan Africa countries in phasing out leaded gasoline by 2005 and is aiming for global elimination of leaded gasoline. This is a broad coalition from the automotive and oil industries led by our key stakeholder, the UN Environment Programme. Almost all countries have eliminated leaded gasoline. There are just 6 countries left. This work has been independently credited as preventing over a million premature deaths per year as a result of the lead phase out. The partnership is now focussing on completion of the lead phase-out campaign, reducing sulphur emissions and tackling diesel emissions, mainly on particulate matter and black carbon as they are key health and climate change issues.

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I will now focus purely on oil spill response and how the industry is working in partnership with itself and others on two key strategies.

The first is about increasing the global reach of international oil spill conventions and building capability geographically, the IMO-IPIECA Global Initiative.

The second is about developing new practice and guidance taking into account learnings over the last few years, to ensure that industry is better prepared for a wider range of scenarios with improved technology. The IPIECA/IOGP oil spill response joint industry project.

I will go into more details on these two programmes later in this presentation.

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The first of the three main partnerships I have been presenting today was about the work of IPIECA and industry associations at a global level and showing how they provide a great platform for collaboration not only for its members to work together in partnership, but also to work with other stakeholders to increase the impact of its work.

We believe that partnerships really work.

They deliver higher-quality project outcomes

They promote long-term project sustainability

They facilitate development and growth of projects

They improve stakeholder engagement

They create open communication channels with local communities

They contribute to wider regional or global sustainable development efforts

However, they aren't always easy and I'll now share some key success factors that IPIECA has learnt from the partnerships it has experience of over the years.

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The next two slides will show a somewhat diverse list of learnings. Like most learnings, many of these will have been learnt the hard way, that is by making mistakes, but some will have come from successes!

Take time to identify the right organizations to work with in terms of skills, profile and organizational role. This is basic due diligence.

Ensure the right individuals are representing the partner organizations within the partnership (i.e. with the appropriate level of knowledge and authority). This is very important as a failure in this area can slow projects down or even completely derail them.

Be realistic about working as an equal partner with government agencies. I think you might be able to guess that this was learnt the hard way! Government agencies usually have more power and influence but less flexibility in how they allocate their resources, or importantly how they might change their opinions.

Clarify upfront what is required from each partner

Ensure all partners 'invest' in the partnership so that equity exists between the partners. Investment can take the form of funding or allocation of people and effort, but there needs to be something.

Clearly define the partners' roles and expected outputs from the start and at all stages of the partnership. Thinking long term is particularly important here.

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Here's 4 more...

Use of partnership 'champions' within and outside the partner organizations can be helpful for promoting the partnership to other key players and stakeholders. Communication and engagement beyond the core team of the partners is very important to ensure awareness and support.

Ensure there are some early and concrete 'win-wins' for the partners to maintain motivation and momentum within the partnership. Early victories make a big difference.

Use of small teams and subgroups working within a bigger partnership can deliver some aspects of a project quickly, maintain high levels of creativity and build a wider sense of 'ownership' of the whole. If your governance board has more people than the project team, you're heading in the wrong direction!

Provide for regular contact between the partners so that any partnership challenges can be addressed before they cause problems. Surprises aren't always nice!

I hope you find some of these learnings of interest. Ultimately though, the most important factor is for all the partners to accept that working in partnership is the most effective way to achieve their goals. We are seeing this acceptance increasing in the intergovernmental arena, across the spectrum of environment and sustainability issues.

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I'll now spend the rest of my time slot, talking about the oil spill partnerships, starting with the IMO-IPIECA global initiative for oil spill preparedness and response.

Oil spills remain one of the highest profile environmental issues associated with the oil and gas industry. Prevention is of vital importance to the oil and shipping industries and national governments, however, the risk of possible accidents still exists.

IPIECA, working with its international partners, continues to play a leading role in enhancing preparedness and response to oil spills. Experience has demonstrated that cooperation and

integration between organizations provides the best framework for preparedness. This is clearly demonstrated in the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 (OPRC). The International Maritime Organization, the UN agency responsible for the safety and security of shipping and the prevention of marine pollution by ships, IPIECA and others have been working together for over 20 years to encourage governments to ratify and implement OPRC, with industry involvement and support. The joint efforts of the IMO and IPIECA were formalized as the Global Initiative (GI) in 1996.

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2 years later, a global risk assessment carried out through the GI was updated in late 2009. The top 'improvers' in preparedness were the regions benefiting from the existing formal GI regional programmes. Today, four different regions have established programmes and two others are currently under consideration. As highlighted, the majority of GI activities currently focus on key regions: the Caspian and Black Seas, West and Central Africa, the Mediterranean Sea which we are in the process of re-developing and more recently South East Asia. The intention is to expand the current GI programme using the lessons learned so far to support governments elsewhere with East Africa and China next on the list.

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To provide some structure to the programmes, 6 key performance indicators are used to establish the baseline and monitor progress:

Legislation: Promoting the ratification of the relevant international Conventions

Contingency planning: Having contingency plans in place for all the countries of the region

Designation of authority: Getting clarity in roles and responsibilities for oil spill response

Regional agreements: Promoting exchange and mutual assistance for oil spill response

Training: Ensuring that training and exercising programs are held in each country on a regular basis

National capabilities: Supporting countries as they develop their own national response system

Each region develops programmes that are tailored to their specific needs and prioritise the KPIs that are most critical for development.

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Countries that had not developed national plans or response systems have made major improvements thanks to the GI's activities. Regional and national workshops have been implemented to provide training courses and exercises to encourage better communication and cooperation between government and industry. These activities support the development and implementation of national, regional and sub-regional oil spill contingency plans, and encourage the ratification and implementation of relevant international Conventions such as OPRC and the conventions relating to oil spill compensation from tankers and other vessels, and regional agreements.

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The oldest regional programme is GI WACAF. Originally focussing on West and Central Africa, it has now expanded all the way down to also include South Africa. From an initial baseline of a small number, 18 of 22 countries have developed a national oil spill contingency plan by the end of 2013 and five have been tested in cooperation with the GI WACAF Project. This is a significant achievement but significant work remains to ensure plans are operational, notably through testing and exercising. These results showed significant progress in strengthening oil spill response capability. Success is due to the high involvement and ownership of individual country focal point representatives. A key success factor in the programme has been the appointment and recognition of a network of government focal points. Additionally, 30 industry focal points were appointed and were involved at various levels including attendance at a national workshop; participation at follow-up working groups, deployment of equipment and sponsorship of events. GI WACAF's strategic focus is coordinated with the IMO biennial activity programme. The latest conference and workshop for the WACAF region was held in Namibia in October 2013. This event helped develop the 2014–15 work plan. It was recommended that the project should prioritise the continued support of practical exercises to test the respective National Oil Spill Contingency Plans. In addition, there will be an increased focus upon trans-boundary cooperation between adjoining countries that share common oil spill risks, with particular emphasis upon trans-boundary exercises. Finally, it was recommended that in addition to existing GI WACAF focus topics such as sensitivity mapping, dispersant policy, claims and compensation, focus should also be placed upon: Incident Management Systems, effective exercising, shoreline cleanup, and waste management.

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Moving on, the Oil Spill Preparedness Regional Initiative for the Caspian Sea, Black Sea and Central Eurasia or OSPRI was formed in 2003 with a mission “to encourage and support industry and governments to work cooperatively, promoting the adoption of proven, credible, integrated and sustainable national, regional and international oil spill response capability”. OSPRI is administered by IPIECA and is funded by ten IPIECA members companies with interests in the region. OSPRI has signed a statement of intent with IMO and the effort is fully aligned the Global Initiative (GI). Activities and approaches follow industry's good practice guidance and draw on the experiences and lessons learned from over fifteen years of the GI. Across the ten littoral States comprising the Caspian Sea and Black Sea, the ratification of the key IMO Conventions relating to oil spill preparedness has moved from 28% in 2003 to 68% in 2013, demonstrating long-term progress and commitment by the countries. OSPRI uses a set of success factors based on the six ‘elements of preparedness’ as metrics similar to the GI WACAF KPIs; continual progress is being tracked.

There are regional Conventions for the Black Sea and Caspian Sea and these provide the inter-governmental legal framework for regional-level oil spill preparedness, in alignment to the OPRC Convention. In the Black Sea, the Bucharest Convention and its Emergency Protocol are the key instruments. Under this framework the governments have developed a regional contingency plan for cooperation in case of major oil pollution. This plan is the operational tool to coordinate the six countries national oil spill plans. OSPRI has been closely involved since 2005 in supporting a regional exercise programme to ensure the regional plan's procedures are well rehearsed and effective. Notwithstanding the unsolved issue of a defined legal status (ie who owns which bit of the sea), the littoral States of the Caspian Sea have taken joint action towards the environmental protection through the successful conclusion of the Tehran Convention. OSPRI continues to focus efforts on organizational aspects of oil spill preparedness and response (i.e., command and control frameworks with clarity of roles and responsibilities). This means supporting development of both national contingency plans and regional cooperation plans, plus their implementation and testing through a

structured and coordinated programme of exercises. In the Black Sea and Central Eurasia regions, OSPRI continues to maintain an overview of activities, in particular to support in Azerbaijan, Romania, Bulgaria and Turkey.

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The global risk assessment White Paper mentioned earlier identified South East Asia as an area for priority GI action. The prioritization was based on considerations of both the current levels of risk and the existing levels of preparedness. Allied to the White Paper and following increasing requests from governments and industry in the region for GI activities in South East Asia, the IPIECA Oil Spill Working Group and regional industry representatives held a meeting in Bangkok in February, 2011 to identify past issues with the possible establishment of a GI programme in Asia, explore the feasibility of setting up a GI programme in South East Asia (a coordinated and sustained regional programme), and determine the appropriate structure of such a programme.

The Global Initiative Southeast Asia was formally launched with a two-day Workshop in Jakarta on March 20-21, 2013. GI SEA involves formal funding and in-kind inputs from both industry and IMO. It is also benefitting from initial financial support from the International Oil Spill Conference. It held its first official meeting on the 8th of November 2013 in Bangkok with attendance of a number of regional representatives. The project manager is currently working to define and solidify action plans beyond the first biennial set of activities beyond 2014.

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To cite the work of Dr Leonard Marcus of Harvard University, “effective emergency preparedness and response requires leadership that can accomplish perceptive coordination and communication amongst diverse agencies and sectors”

I’d just like to share with you an example of the network that has been established in the OSPRI region. You can see there are two main blocks of organisations; industry on the left and national and international authorities on the right. Each of these blocks has members working and national regional and international levels. In addition, there are other organisation who are key to both the development of capability and also execution of oil spill response, including ITOPF and OSRL.

As I’m sure you know, collaboration across the boundaries of these organisations is essential in the area of response, but it is also vital in development of the frameworks and capability to prepare and respond. The global initiative is the partnership that brings all these organisations together to improve national and regional oil spill preparedness and response. At the heart of it is the partnership between the international organisations in the form of the IMO and IPIECA.

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The final partnership that I would like to share with you is the cross-industry partnership in the form of the Oil Spill Response Joint Industry Project.

The April 2010 Gulf of Mexico (Macondo) oil spill incident, and the Montara incident in Australia which preceded it, have had far-reaching consequences in prompting the re-examination by industry not only of operational aspects of offshore operations, but also of an operator’s ability to respond in the event of an oil spill incident or well blowout.

In response, the International Association of Oil and Gas Producers (IOGP) formed the Global Industry Response Group (GIRG), tasked with identifying learning opportunities both on causation and in respect of the response to the incident. It focussed on three disciplines:

- Well design/operating procedures
- Capping and Containment capability
- Oil spill response

Nineteen recommendations were identified and these are being addressed via a three-year Joint Industry Project (JIP) funded by nineteen oil industry members.

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The Oil Spill Response JIP (OSR-JIP) has initiated discreet projects or provided support to projects initiated by other trade associations in the nineteen subject areas resulting from the GIRG recommendations. The OSR- JIP is managed by IPIECA on behalf of OGP in recognition of its long-standing experience with Oil Spill Response matters. This JIP, which was officially formed in December 2011 is now completing its work on the recommendations.

The work programme has addressed issues such as dispersants, in-situ burning, surveillance, and responder management among others.

As I mentioned this phase of work is now in completion, however the success of the collaboration has led to the development of “phase 2 JIP”, which is currently being formed and will focus on some new topics, but also the communication of the output of phase 1 JIP. This will include translation of the guidance developed into the UN languages and also the languages of the participants.

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The work of the JIP has led to a paradigm shift towards the common use of the most effective tools. It will provide a range of education and communication materials which will underpin efforts to extend the influence of the practitioners. The common approach will also enable pre-approval of the tools developed in the process.

The first visible result of this work is the complete refresh of the industry good practice guides. Some have been published already, with the rest being issued in the next 2 months. There are 22 guides in the series covering a broad spectrum of good practice in oil spill response ranging from how the response is planned and managed, through to technical specifics of the response relating to monitoring, dispersants and recovery. This guidance will become the new industry consensus and we will be working hard over the coming years to bring it to life.

Working through a JIP has had several clear benefits:

- It promoted credibility through group consensus and collaboration
- It provides a body of information that can be used to respond proactively to outside agencies
- The existence of a JIP makes it easier for national administrations, intergovernmental organisations and willing third parties to participate in the studies and therefore to build their confidence in the results of the commissioned investigations and research.

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Finally before I wrap up, I would like to tell you about a new partnership that is in the early stages of development. As a consequence of the great work the oil spill response joint industry project is doing, the industry is now working closely with the International Offshore Regulators Forum, IOPER. It is hoped that this collaboration will enhance understanding of both industry and regulatory perspectives that lead to improvements in offshore oil spill prevention, preparedness and response.

There will be a joint panel session on this at the upcoming Interspill conference in Amsterdam in March. IPIECA is a long standing supporter of this conference and I hope to see you there.

So to conclude, I hope you will agree that international cooperation in the field of oil spill preparedness and response can bring significant benefits, that can ultimately reduce the impact of oil spills wherever they originate.

You have heard about 3 models of partnership; through membership of longstanding international industry associations either as company members or through national associations like PAJ; then through public-private partnership using the example of the IMO-IPIECA global initiative for oil spill preparedness and response; and finally through a focussed and time bounded cross industry programme such as the oil spill response joint industry project.

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I hope you have found this presentation of interest. You can find out more by asking me, or from the IPIECA website.

Thanks once again to PAJ for their invitation and to you for your attention.

Thank you