



## Oil for Development: Vietnam

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2011

Institutional cooperation between PetroVietnam, the Norwegian Petroleum Safety Authority (PSA) and KLIF on 'Development of Management Systems on Health Safety and Environment in the Vietnamese Petroleum Industry'



- Capital: Hanoi
- Government: Single party communist state
- Divided into 58 provinces
- Population: 86 967 500 (2009) Language: Vietnamese
- Area: 329 566 km<sup>2</sup>



Controlled development of the Oil and Gas industry in Vietnam is seen as crucial for the nation's ability to establish an enhanced and permanent program for abatement of poverty, for protection of workers health and welfare, and for protection of vulnerable natural resources and the environment.

In October 1996, the Agreement between the Government of the Socialist Republic of Vietnam and the Government of the Kingdom of Norway was signed regarding 'Development of Management System on Safety and Working Environment and Pollution Control in the Vietnamese Petroleum Industry', Project phase I. The Project phase I was implemented from 1996 to 1999 with the total Grant of NOK 25,360,000. Authorized by the Ministry of Planning and Investment, PetroVietnam had signed contracts with Norwegian Petroleum Directorate (NPD) and KLIF for the support in project implementation.

In August 2001, the Agreement between the Government of the Socialist Republic of Vietnam and the Government of the Kingdom of Norway was signed regarding Project phase II. The Project phase II has been implemented from 2001 to 2005, with the total grant of NOK 20,000,000. It maintains the same project organizational model as in Project phase I.

Source: Store norske leksikon

Both Phases I and II of the project have had the same overall objective: To establish a sustained process of further development of health, safety and environment in the Vietnamese oil and gas industry, so that major accidents and environmental damage are avoided.

### Main outputs from Phase II

Phase II has been concentrated on further development of technical guidelines, extended scope of HSE management and skills training and auditing as a governmental function to control risk. Also a key product from this phase is the development and issuing of a comprehensive and modern HSE management system in PetroVietnam. This system applies to PetroVietnam headquarters, as well as its subsidiaries.

### Phase III

The first two phases of the Safety Management Project have provided Petrovietnam and the Vietnamese government with highly valuable knowledge, tools, contacts and arenas for experience sharing and learning. The project has contributed significantly in shaping the framework for a sound and predictable development of a major part of Vietnam's industrial development.

During this time period there has been a rapid development of the Petroleum Industry in Vietnam. In addition to increased exploration and production activity on the continental shelf, there is an expansion of onshore activities, including a considerable increase in transmission and distribution of natural and associated gas, many projects in downstream such as: to build a new refinery plant, fertilizer plants, power plant, etc. in parallel to increasing technical services.

PetroVietnam's HSE management and performance will play a major role and have great influence on the HSE-level in the petroleum sector through partnership and contracts with operators and suppliers. The continuation of the Project into a Phase III to support PetroVietnam in the implementation of the HSE management system is crucial to sustain and maximize the results gained from the first two phases of the Project. Phase III will support the operationalisation of HSE-management through development of systems, tools and practices in PetroVietnam. Also, this phase will strengthen PetroVietnam's capacity to develop strategies, objectives and plans for sustainable risk management.

The project started in the third quarter of 2007 and is completed in the first half of 2011. The total budget for the project is NOK 7 625 000 out of which Klif has a share of NOK 1 265 000 to cover our activities. The implementation of the HSE management system in Petrovietnam has been successful and the use of money is in accordance with the allocated budget.

#### The Project at a glance:

**Goal:** To establish a sustainable and efficient management of health, safety and environment in the Vietnamese oil and gas industry, so that the risk of personnel injury, major accidents and environmental damage is minimised.

#### Objectives:

- 1) Implementation of PetroVietnam's recently developed policy and corporate requirements for HSE-management
- 2) Further development of PetroVietnam's HSE corporate management systems, tools and practices, including its HSE objectives, strategies and plans.
- 3) Developing targeted HSE-training activities to support PetroVietnam's systems developments by means of competency and capacity building.
- 4) Forwarding the implementation and incorporation of PetroVietnam's corporate HSE-management system into the development of appropriate HSE-management systems in PetroVietnam's subsidiaries.