

MEMORANDUM OF UNDERSTANDING

Open Society Institute Assistance Foundation (Azerbaijan), an Azerbaijan branch of Open Society Institute Assistance Foundation ("OSI-AF AZERBAIJAN"), a charitable not for profit foundation registered under the laws of Liechtenstein, and BP Exploration (Caspian Sea) Limited ("BP"), a company incorporated in England, enter into the Memorandum of Understanding ("MOU") on the 22nd April 2004 ("Effective Date"). In this MOU, OSI-AF AZERBAIJAN and BP are referred to collectively as Parties ("Parties") and individually as a Party ("Party").

Background Information

- I. OSI-AF AZERBAIJAN is a branch of OSI-AF, which belongs to the Open Society Foundation Network established by famous investor and philanthropist George Soros. The main goal of OSI-AF AZERBAIJAN is to foster transition of a closed society to a more open one. Since its establishment in the country in 1996, OSI-AF AZERBAIJAN has encouraged the development of the third sector by awarding grants and through operational activity to support civic initiatives in education reforms, communication technologies, human rights and rule of law, mass media, public health, gender equality and arts and culture. Responding to new challenges of the country development, OSI-AF AZERBAIJAN has recently concentrated on increasing civil society involvement in democratization process, good governance and transparency of the use of national resources.
- II. BP is involved in the construction of a number of significant energy development and transportation projects in the Azerbaijan Republic: BP is a participant and serves as the operator of the of the Azeri Chirag Guneshli oil field development; A BP affiliate is a participant and serves as the operator of the Shah Deniz gas development; BP is the manager and a BP affiliate is a shareholder in The Baku-Tbilisi-Ceyhan Pipeline Company; A BP affiliate is the technical operator and a BP affiliate is a shareholder in the South Caucasus Pipeline company; and BP serves as the construction manager and the operator of the of the Sangachal Terminal (collectively "Projects").
- III. The Parties acknowledge that the Projects are the most significant economic development in the Azerbaijan Republic and hold the promise to significantly reduce poverty in the region. During construction, various monitoring programs shall assess issues related to the Projects including: social issues in communities near the Project; land ownership issues; environmental protection; historical preservation; local business content and protection of the rights of workers involved in the construction of the Projects (collectively "Themes").
- IV. The Parties recognize that Nongovernmental Organizations ("NGOs") will play a significant role during the construction phase in assessing the Themes related to the Projects and the Parties want to assist the NGOs in such activities. At the same time, the Parties understand and acknowledge that in order to be effective, NGOs must maintain their independence from the Parties so that NGOs can provide meaningful assessments of the Projects to the Parties and to the public.
- V. OSI-AF AZERBAIJAN wants to provide various NGOs with assistance and support so that NGOs selected by OSI-AF AZERBAIJAN can provide assessments during the construction phase of the Projects to the Parties and to the public. BP wants to provide support to OSI-AF AZERBAIJAN in this endeavor as outlined in this MOU.

THE PARTIES AGREE:

1. Appointment of Coordinators.

If a Party fails to so designate at the time this MOU is executed, within ten (10) days after the Effective Date a Party shall give Notice to the other Party of its appointed coordinator ("Coordinator" or "OSI-AF AZERBAIJAN Coordinator" or "BP Coordinator") to perform to various tasks and obligations set out in this MOU. A Party may change the designated Coordinator by giving Notice to the other Party.

2. Duties and Coordination.

- a. The Parties agree that all activities governed by this MOU are to be set out in a work plan ("Work Plan") developed by the Coordinators. A model for the Work Plan is set out in Exhibit 1.
- b. For each Work Plan, OSI-AF AZERBAIJAN shall select participating NGOs and individuals by following the terms of the NGO Self-Selection Process as set out in Exhibit 2.
- c. BP shall provide support and assistance through OSI-AF AZERBAIJAN to participating NGOs in the form of technical and organizational support including relevant health, safety, security and environmental training for on site activities, transportation and logistical arrangements etc. The support and assistance to be provided by BP shall be set out in the Work Plan. OSI-AF AZERBAIJAN recognizes that due to operational, safety, financial and security reasons, BP may limit the number of site visits and the number of personnel from OSI-AF AZERBAIJAN and participating NGO taking site visits.
- d. OSI-AF AZERBAIJAN acknowledges and recognizes that BP serves as the operator or manager of the various Projects on behalf of participants or shareholders in the Projects. Participants or shareholders may decide that a Project shall not be included in a Work Plan and direct BP, as the operator or manager for that Project, not to participate in the Work Plan. OSI-AF AZERBAIJAN also acknowledges and recognizes that BP and its affiliated companies engaged in the construction of the Projects use numerous contractors and subcontractors. BP shall use all reasonable efforts to secure the cooperation of such contractors and subcontractors in implementing the Work Plan.
- e. The Parties agree to use all reasonable efforts to coordinate their activities with respect to the development of the Work Plan.
- f. The Parties agree that this MOU is not exclusive and each Party may work with NGOs outside the context of this MOU with respect to the Themes arising with the various Projects. The Parties also recognize that BP intends to establish a Citizens' Advisory Panel in Azerbaijan to addresses citizen inputs when the Projects move into an operating phase and both Parties are interested in discussing cooperation on this issue.

3. Work Plans - Development.

Within thirty (30) days after the Effective Date, the OSI-AF AZERBAIJAN Coordinator shall give the BP Coordinator Notice of its proposed Work Plan. A model of a Work Plan is attached as Exhibit 1 showing the specific assessments to be carried out by participating NGOs for each of the Themes including the:

- NGOs proposed by OSI-AF AZERBAIJAN;
- Number of individuals addressing a Theme as determined by a Working Group (as defined in Exhibit 2);
- Assessment of a particular Theme to be completed by the proposed NGO;
- Relevant Project or Projects;
- Tasks to be completed by the proposed Working Group;
- Support and assistance to be provided to the proposed Working Group by OSI-AF AZERBAIJAN;
- Support and assistance to be provided to the proposed Working Group by BP;
- Date the Assessment Report is to be provided by the proposed Working Group to OSI-AF AZERBAIJAN; and
- Review and comment period to be provided to OSI-AF AZERBAIJAN and to BP before the Working Group makes its Assessment Report available to the public.

4. Work Plans – Review, Comment and Approval.

- a. The BP Coordinator shall have twenty (20) days to provide written comments on the proposed Work Plan by giving Notice to the OSI-AF AZERBAIJAN Coordinator. After receipt of such comments, the Coordinators may meet and discuss the Work Plan to resolve any outstanding issues.
- b. A Work Plan shall not become effective until signed by the OSI-AF AZERBAIJAN Coordinator and by the BP Coordinator.

5. Exchange of Information.

Under the terms of the Work Plan:

- a. BP shall make available to OSI-AF AZERBAIJAN public domain information about the relevant Projects including copies of quarterly reports prepared by BP for various financial institutions lending money to finance the work of some of the Projects.
- b. OSI-AF AZERBAIJAN shall distribute such public domain information to the Working Groups, under the normal course of business, and recommend the following website to Working Groups:
www.caspiandevlopmentandexport.com.
- c. During site visits, individuals from Working Groups may question and discuss issues with BP employees. However, after site visits and at other times, requests for information from Working Groups shall be transmitted to BP through OSI-AF AZERBAIJAN and BP shall provide information to the Working Groups through OSI-AF AZERBAIJAN.
- d. The Parties agree that BP shall retain information that is sensitive for commercial, safety, or security reasons, as defined by BP. When an information request is denied, BP shall provide a written explanation stating the reasons for

the denial. A number of documents may not be available in all languages and BP is not obligated to provide additional translations, but understands the importance of their availability and shall endeavor to increase the number of such information resources.

6. Training – Health, Safety, Security and Environment.

The Parties agree that personnel from OSI-AF AZERBAIJAN and personnel from Working Groups must receive health, safety, security and environment training from BP before visiting the site of any Project. OSI-AF AZERBAIJAN also agrees that BP may require personnel from OSI-AF AZERBAIJAN and personnel from Working Groups to leave the site of any Project if such individuals fail to follow BP's rules regarding health, safety, security and environment.

7. Quarterly Briefings.

The Parties shall organize quarterly briefings by representatives from BP for OSI-AF AZERBAIJAN and for Working Groups on the state of the relevant Projects including information about: the methods being employed; current construction and other activities; and upcoming work. At the briefings, OSI-AF AZERBAIJAN and the Working Groups may explain their activities, methodologies, monitoring plans and provide preliminary reports of their findings.

8. Assessment Report – Comments and Public Release.

- a. OSI-AF AZERBAIJAN may secure and make available to Working Groups the services of a qualified neutral international or national organization that can serve as the on-call resource party, providing advice on good practice and proper monitoring and evaluation techniques. The purpose of this resource organization's involvement will be to help ensure that observations and evaluations are presented in the most professional manner.
- b. To enhance transparency and to provide accurate information to the public, the Parties agree that OSI-AF AZERBAIJAN shall require each Working Group to make drafts of written reports available to OSI-AF AZERBAIJAN. OSI-AF AZERBAIJAN shall then give Notice of such drafts to BP for review and comment and then may organize a discussion between the Working Group and BP. The purpose of the review, comment and discussion is not to provide BP or OSI-AF AZERBAIJAN with editorial control but rather to permit the correction of factual errors. BP shall have a fixed period to review the draft report, and if it does not respond with corrections and comments within twenty one (21) days the Working Group may publish its findings. OSI-AF AZERBAIJAN shall require each Working Group to notify OSI-AF AZERBAIJAN and BP at least seven (7) days before providing any report related to the Projects to the press or to the public.
- c. BP acknowledges that OSI-AF AZERBAIJAN and all the Working Groups retain complete discretion and control over the form and content of any written report issued to the press or to the public.

9. Term and Termination.

- a. This MOU shall remain in effect for one year after the Effective Date and may be reviewed by the Parties during January 2005. If any Party decides to terminate

this MOU, it shall give Notice of termination to the other Party. After receiving such Notice, any work remaining to be completed in a pending Work Plan shall be promptly completed by the Working Groups under the terms of this MOU and within the time specified in the Work Plan.

- b. If, after a reasonable period of time for good faith negotiations about the terms of a Work Plan the Coordinators are unable to agree and sign such Work Plan, the Coordinators may have other individuals from their respective organizations attempt to resolve the impasse. If, after a reasonable period of time the impasse cannot be resolved, any Party may give Notice of termination of this MOU to the other Party.
- c. If Notice of termination is given, the Parties agree that there shall be no claims made related to or arising from the termination of this MOU.

10. Acknowledgement of Risks, Release and Hold Harmless.

OSI-AF AZERBAIJAN acknowledges that any visit to the site of a Project may involve risk of harm or personal injury to employees or volunteers of OSI-AF AZERBAIJAN or of individuals involved in the Working Groups. Even after the completion of relevant training by BP and with BP's on-site safety programs in place, the risk of harm or personal injury to such individuals will continue to be present. OSI-AF AZERBAIJAN agrees that it shall require its employees or volunteers and the employees or volunteers from Working Groups making a visit to a Project site to sign an Acknowledgement of Risk and Hold Harmless Agreement provided by BP. Such agreement shall disclose the inherent risks of visiting the Project site and shall hold BP harmless from any claim of injury by such employee or volunteer incurred during the visit arising from the negligence of such employee or volunteer.

11. Notices

All notices, requests and other communications required by this MOU shall be in writing (including wire, telefax, email or similar writing) and shall be sent delivered, mailed, e-mailed or telefaxed ("Notice") to the addresses listed below. A Party may change the details of its address by giving Notice to the other Party.

To BP:
2 Neftchilar Prospekti (Bailov),
BP Exploration (Caspian Sea Ltd)
370003 Baku, Azerbaijan
Phone: +994 12 97 96 28
Fax: + 994 12 97 92 70
e-mail: iskendkm@bp.com
Attention: Khatira M. Iskender
(BP Coordinator)

To OSI-AF AZERBAIJAN:
Achig Cemiyet Institutu Yardim Fondu
117a Hasan Aliyev kuchesi,
370110 Baku, Azerbaijan
Phone:+99412 98 69 10
Fax: + 994 12 98 69 34
e-mail SGasilov@osi-az.org
Attention: Seyfi A. Gasilov
(OSI-AF AZERBAIJAN Coordinator)

12. Governing Law and Dispute Resolution

- a. This MOU shall be governed by and construed in accordance with the laws of England and Wales, excluding any choice of law rules that would refer the matter to the laws of another jurisdiction.
- b. Any dispute arising out of or in connection with this MOU, including any question regarding its existence, validity or termination, shall be resolved by good faith negotiation of the Parties. If such dispute cannot be so resolved after a reasonable period of time, the dispute shall be referred to an expert appointed by mutual agreement of the Parties. If the Parties cannot mutually agree upon such expert, the Country Director for the American Bar Association, Central European and Eurasian Law Initiative (Azerbaijan) shall appoint such expert. The Parties shall share the cost for the work of the appointed expert and the expert shall devise procedures to have the dispute resolved expeditiously in a fair, just and equitable manner all at a minimum cost to the Parties. All negotiations or expert proceedings with respect to a dispute shall be kept confidential between the Parties. Any decision of such expert shall be binding on the Parties and shall be final and without right of appeal. The language to be used in any expert determination shall be English.

13. Conduct of the Parties.

- a. Each Party warrants that it and its affiliates have not made, offered, or authorized and will not make, offer, or authorize, with respect to the matters which are the subject of this MOU, any payment, gift, facilitation payment, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (i.e., any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate: the applicable laws of Azerbaijan; the laws of the country of incorporation of such Party or such Party's ultimate parent company and of the principal place of business of such ultimate parent company; or the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries. Each Party shall defend, indemnify and hold the other Party harmless from and against any loss or damage arising from or related to, any breach by such first Party of such warranty. Each Party shall promptly respond in reasonable detail to any Notice from any other Party reasonably connected with the above-stated warranty, and furnish applicable documentary support for such response upon request from such other Party.
- b. Each Party agrees to follow a business ethics policy that provides for: (i) maintaining adequate internal controls; (ii) properly recording and reporting all transactions; and (iii) conducting activities subject to all applicable laws. Each Party must rely on the other Parties' system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other data regarding the activities undertaken under this MOU. No Party is in any way authorized to

take any action on behalf of another Party that would result in an inadequate or inaccurate recording and reporting of assets, liabilities or any other transaction, or which would put such Party in violation of its obligations under the laws applicable to the operations related to this MOU.

14. MISCELLANEOUS

- a. References to any document or agreement shall be construed as a reference to such document or agreement as it may be amended, varied, supplemented, novated or assigned. Terms defined in this MOU are noted in parenthesis and quotation marks when defined and are shown throughout this MOU with an initial capital letter. A reference to a Paragraph or Exhibit means a Paragraph or Exhibit of this MOU. The headings are inserted for convenience of reference only and shall not affect the interpretation of this MOU. The Background Information is incorporated by reference into this MOU.
- b. A Party shall not transfer, assign or novate this MOU or any of the any rights or obligations under this MOU without the prior written consent of the other Party. This MOU may only be amended in writing signed by an authorized representative of each of the Parties.
- c. This MOU shall not create any right for any Person or Entity that is not a Party to this MOU. This provision is intended to exclude, without limitation, all such rights as may otherwise arise pursuant to the Contracts (Right of Third Parties) Act of 1999.
- d. If any provision of this MOU is held to be invalid, illegal or unenforceable in any jurisdiction, the remaining portions of this MOU shall continue to be valid. The declared invalidity of a particular provision of this MOU in one jurisdiction shall not invalidate such provision in any other jurisdiction.
- e. The Parties shall not be liable for delays in performance or for non-performance caused by Force Majeure. Force Majeure means any event beyond the reasonable control or foresight of the Party claiming to be affected including strikes, lockouts or differences with workers or subcontractors.
- f. The Parties shall at all times comply with all laws, rules, regulations, decrees or official governmental orders of Azerbaijan or of any authority which now or may in the future become applicable to the activities governed by this MOU.
- g. Each Party shall use all reasonable efforts to ensure that the other Party's tax position is not adversely affected by the actions of a Party.
- h. This MOU is the entire and complete agreement between the Parties and supercedes any other written or oral agreement between the Parties.
- i. The following provisions of this MOU shall remain in effect after termination; Paragraphs: 10; 11; 12; and 14.

- j. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same MOU.

INTENDING TO BE LEGALLY BOUND, authorized representatives of the Parties have signed this MOU where indicated below:

BP EXPLORATION (CASPIAN SEA)
LIMITED

OSI-AF AZERBAIJAN

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**Exhibit 1 - Sample
Work Plan**

Date: Effective from _____ to _____.

WORKING GROUP & Number of individuals from the WORKING GROUP	Issue Assessed	Project or Projects	Specific WORKING GROUP Tasks	Support and assistance to be provided to the WORKING GROUP by OSI-AF AZERBAIJAN	Support and assistance to be provided to the WORKING GROUP by BP	Assessment Report – Draft Completion Date	Review and comment period.

Agreed:

OSI-AF AZERBAIJAN Coordinator
Date: _____

BP Coordinator
Date: _____

"NGO Self-Selection Process" **– including Capacity Building and Monitoring in Azerbaijan**

Purpose of this document

This document is an Exhibit to the Memorandum of Understanding between Open Society Institute Assistance Foundation (Azerbaijan) ("OSIAF") and BP Exploration (Caspian Sea) Limited ("BP"). It sets out the framework agreed between OSIAF and BP for the selection, capacity building and monitoring activities of NGOs who will take part in the OSIAF-facilitated monitoring of the Projects.

Note on capacity building

For the purposes of this document, "capacity building" is the term used to describe the process of imparting to the participating NGOs the skills and tools to carry out monitoring, evaluation and reporting to a professional level. "Capacity building" in this document and in the OSIAF-facilitated NGO monitoring process in Azerbaijan does not encompass the building of NGOs' skills in any of their other activities.

Introduction

OSIAF and BP have agreed that OSIAF will act as the facilitator and a co-ordinator of the NGO monitoring process. To maintain the programme's credibility and independence OSIAF is therefore responsible for managing the selection and capacity building of the participating NGOs and assisting them during the monitoring and reporting phases.

Selection issue

There are many NGOs who are interested in monitoring the Projects. OSIAF and BP want the process to be as inclusive as possible, ie not limited to only a very few NGOs. To ensure more ownership and capacity building for a larger number of NGOs, OSIAF will introduce greater self-regulation into the selection process by providing the following:

- More NGOs have involvement in the process.
- The NGOs have greater decision making powers and accountability.
- Capacity building is available to a greater number of NGOs.
- The selection process is transparent and the problem of selection of NGOs by outsiders is removed.
- Teamwork between NGOs is promoted and maximised.
- The timeframe is more flexible and driven by the NGOs.

Capacity building issue

Many of the NGOs in Azerbaijan do not have the required skills and experience in monitoring (methodology, planning, data collection, interview techniques, data analysis, report writing, presentations etc.). Capacity building is therefore essential to ensure that monitoring activities and reporting are efficient and produce meaningful outputs, which are useful to all parties.

Goals of the NGO selection, capacity building and monitoring activities:

- Involve as many NGOs as practically and financially possible in the monitoring process (be inclusive rather than exclusive).

- Create Working Groups of NGOs with common interests (for example, environmental) and a commitment to carry out the work involved. Enable the NGOs to work as teams rather than individually.
- Create a process for the NGO Working Groups to select key themes, receive information and capacity building, design the work plan together, carry out their monitoring activities, create professional reports, and assess their own performance so that they learn from the process.
- Build the capacity of NGOs in Azerbaijan to perform monitoring and produce reports of a high standard – a skill they can adapt to promote civil society, evaluate and support other businesses, their own work, government initiatives, etc.
- Bring international standards and practices of monitoring to Azerbaijani organisations.
- Ensure that BP/BTC receive useful and constructive feedback, which can be used to improve their projects' social and environmental performance and impact.

Selection, capacity building and monitoring process

Selection

OSIAF shall publish an announcement in local media and on OSIAF's webpage to involve NGOs in the monitoring process. OSIAF shall inform NGOs that they have two weeks to:

- register their interest in monitoring; and
- confirm the Themes they want to focus on (for example, environmental).

The announcement will stipulate the following principles:

- Any NGO intending to participate in discussions concerning the monitoring programme will be registered.
- Registration will be based on the five Themes encompassed by the monitoring programme.
- Only one person from each organization will be registered.
- Each individual from each NGO will select only one of five monitoring Themes during registration.

Monitoring Themes, Number and Composition of Monitors:

Monitoring shall include the five Themes involving a maximum of 27 monitors (individuals) - one from each organization. The participation of regional NGOs in the process is also planned.

OSIAF shall divide the NGOs who register an interest into groups according to the requested Themes ("Working Groups"). There will be between four and seven NGOs in each Working Group. The Working Groups are:

- Environmental Protection – Seven people (three people from the region);
- Social Issues in Communities near the Projects – Six people (two people from the region);

- Local Business Content (employment, development of local businesses) – Four people (one person from the region);
- Protection of the Rights of Workers involved in the Construction of the Projects and Land Ownership issues – Six people (two people from the region);
- Historical Preservation (historical monuments and archeological artifacts) – Four people (one person from the region).

“Self-Regulation” (“SR”) Meeting, Monitor Selection and Formation of Working Groups:

After the announcement, OSIAF shall divide the registered organizations into the Working Groups, which are based upon the above-mentioned five Themes. OSIAF will then proceed to arrange separate “Self-Regulation” (“SR”) meetings to select members of the Working Groups for each Theme. Each Working Group shall have:

- A single Coordinator;
- Evaluators – one or two individuals for each Working Group; and
- Experts – the individuals providing actual services for the Working Group.

Any organization left unregistered, for any reason (lack of information etc.), but which is willing to participate in the discussion and process, can attend group meetings after submitting the necessary organizational information to OSIAF before the meetings.

To ensure effective and smooth management of the selection process Guidelines for the coordination of the meetings and self-selection criteria for NGOs will be developed before the meetings take place.

OSIAF will coordinate “Self-Regulation” (SR) meetings and will explain the following issues in the SR meetings to maintain common understanding of the process:

- the roles and responsibilities of all parties
- the parameters within which the monitoring must be performed
- these include:
 - financial arrangements and funding limits
 - relations among monitors, OSIAF and BP/BTC
 - practical considerations - eg a limit on the number of visits to the right of way (RoW)
 - the requirement to participate in capacity building training

To ensure transparent and democratic selection, each participating NGO will fill in a pre-developed voting sheet based on selection criteria provided by OSIAF and place it into a transparent box at the SR meetings.

OSIAF will count the votes with NGO participation and declare the results. The NGOs receiving the most votes will carry out the monitoring activity for their chosen Theme on behalf of all the NGOs who registered for that Theme, and reporting back to them. Lots will be thrown among the NGOs that receive

equal votes. In this way monitors will be selected for each of the five Themes according to the aforementioned numbers.

To avoid conflict of interest among stakeholders the NGOs directly or indirectly implementing the work under the financial support of Projects operated by BP cannot be involved in the monitoring activities, however they will be able to participate and contribute to the discussions.

Capacity Building

The NGOs that are to take part in the OSI-facilitated monitoring process will receive training to inform them about BP and the relevant Projects, and to help them complete the task of monitoring and reporting in a professional way. The process aims to provide long-term capacity building in the following ways:

- training (giving tools and skills to do the job)
- 'learning by doing' (use skills and tools to carry out their monitoring and reporting task)
- continuous improvement (receive feedback and apply to future monitoring activities)

After the members of the Working Groups are selected, the training process will commence. The selected 27 individuals representing NGOs - will participate in Capacity Building Training arranged by OSIAF and funded by BP and the relevant Projects. These training sessions are planned to be conducted by external and internal resources in the following topics:

External:

- Monitoring techniques
- Auditing techniques
- Data analysis/evaluation
- Teamwork and Planning
- Project writing
- Project management
- Project evaluation/assessment
- Report writing and presentation skills (training in these two activities may take place after monitoring visits and data collection)
- PR methodology/media interviews

Internal:

- BP's activities in the Region and policies
- PSAs/HGAs
- BTC pipeline project progress
- BP/BTC's monitoring strategy and layers
- BP/BTC's HSE requirements and Emergency Response/Oil Spill Plans
- BP/BTC's Environmental and Social performance
- BP/BTC's employment processes
- BTC Land Acquisition Programme
- BP's Local Content Strategy
- Protection of archeological heritage

All the individuals who wish to take part in the OSIAF-facilitated monitoring activities must go through all the training specified above. They must complete the training in order to receive the financial support for their activities.

Key capacity building training courses must be complete by the end of June 2004. Training in certain areas may take place parallel to monitoring activities, however all training activities must finish before report writing and presentation meetings.

Definition of roles and responsibilities

After completing the training process, the NGOs in each Working Group shall agree (with help from OSIAF if needed) roles and responsibilities. Each Working Group shall have: a single Coordinator; one or two Evaluators; and Experts who conduct the activities for the Working Group.

1. Coordinator.

The Coordinator for the Working Group shall:

- form financial/contractual relations with OSIAF;
- ensure that the Working Group's proposal/work plan are within the financial and practical parameters;
- agree with the Working Group how the funding provided by OSIAF will be distributed; and
- create a team environment for individual Experts to perform the work by:
 - advising how to co-ordinate any relevant events and visits to the ROW with other working groups
 - ensuring effective interaction is maintained between the Working Group, OSIAF and BP/BTC throughout the programme
 - ensuring that a high quality report is produced by the Working Group and shared with other Working Groups for comments and alignment
 - ensuring that the report is reviewed and actions are agreed with BP/BTC prior to its release
 - ensuring that the outcomes are reported to wider NGO community
 - ensuring that actions are followed and closed by respective parties post-monitoring

2. Evaluator(s).

Either one or two people shall be chosen from among each Working Group to observe and give feedback to the Working Group on how well they are implementing the skills and methodologies they learned during training as given below:

- ensure that all processes, responsibilities and commitments are met

- give feedback to the Working Group on how well they are implementing the skills and methodologies they learned during training
- give a summary report of the behaviours and outputs observed at the end of the monitoring process to ensure that the whole Working Group learns from the process of monitoring and reporting, so that the learnings can be used by others to improve the standard of future monitoring activities (whether of BP, other companies, government bodies or other organisations)
- highlight any learning points and make recommendations for future monitoring activities

Evaluators should be respected members of each group and actively interested in helping all the participants learn from the monitoring process. The emphasis should be on friendly and constructive feedback: Evaluators are colleagues, not examiners.

People interested in this role may volunteer for it, or the lead NGO may request certain people with the required aptitude and attitude to undertake the role. It is important that Evaluators be committed to their role. The advantage of having two Evaluators per group is that they can support one another in the role, and their feedback will be seen as more powerful and impartial than feedback from only one person.

Evaluators undergo exactly the same training as the NGOs, so that they fully understand the processes the NGOs will be using. Using the knowledge gained during the training, they observe the working group carrying out the processes.

The Evaluators do not take part in the actual monitoring activities; they observe the activities and at the end of the monitoring process give a summary of the behaviours and outputs observed.

This method encourages continuous improvement in the quality of the monitoring and the outputs.

3. Experts.

Experts in each Working Group implement the monitoring as given below:

- prepare scope of issues to be monitored in each theme
- advise what methodologies they learned during training must be used for conducting monitoring
- advise geographical coverage of the monitoring
- develop work plan and project proposal - detailed planning, schedule of field visits, data evaluation
- agree the work plan/monitoring proposal with OSIAF and BP/BTC
- carry out monitoring activities and evaluate data

- produce report/recommendations and share with other Working Groups for comments and alignment
- review and agree the report and recommendations/actions with BP/BTC prior to its release
- communicate the outcomes to wider NGO community
- follow up on actions by respective parties post-monitoring

Development of the Monitoring Proposal/Plan

The Working Group produces a proposal/planning document regarding their Theme. For alignment and effective management of synergies they present it to the other NGOs in different themes for comment. The lead member submits a proposal to OSIAF on behalf of the group. Note: the lead organization and the proposal represent all of the NGOs in the Working Group, not only the lead NGO.

The proposal/work plan will be developed within certain boundaries related to monitoring (number of trips to construction site, budget, etc) agreed between OSIAF and BP/BTC and provided to NGOs after the formation of the Working Groups. The proposal/work plan must include the following items:

- Roles and responsibilities of each member
- Geographical coverage of the monitoring
- Description of the methodology of conducting the monitoring
- Schedule of site visit/meetings/events with BP/BTC
- Budget, etc

OSIAF and BP/BTC receive all the proposals/work plans, to:

- ensure that they are within the financial and practical parameters
- decide how to co-ordinate any visits to the RoW

After assessing the proposal/work plan from each Working Group, and if necessary suggesting amendments, OSIAF awards a contract to the organization of a lead member/Coordinator in each Working Group.

The lead member is responsible for:

- agreeing with the Working Group how the funding provided by OSIAF will be distributed and
- creating a team environment for individuals to perform the work

Conducting Monitoring and Releasing the Outcomes

When the document has been agreed the Working Group carries out its monitoring activities - detailed planning, field visits, data evaluation – observed by the Evaluators and advised by OSIAF where necessary.

If training in report writing and presentation skills has not yet taken place, the Working Group now receives training before drafting a report on its theme for presentation to the other NGOs for comment and discussion.

The Experts draft their report and/or presentation as per the work plan and agree it within the Working Group.

When the report has received general agreement, for accuracy it is passed to OSIAF and BP/BTC for comment, and to enable BP/BTC to decide how to respond to any criticisms, requests or recommendations.

BP/BTC produces any responses to the report, presentation and recommendations.

If there is disagreement between the Working Group and BP/BTC on the report, evaluation and recommendations, OSIAF shares the report with an independent qualified neutral international or national organization to assess the report and help to ensure that observations and evaluations are presented in the most professional manner.

Monitoring findings, BP/BTC responses and evaluator's report on each Theme are reported back to NGO community, which selected the working group in question. The monitoring groups publicise the report/presentation once they receive comments from NGO community, on the monitoring report, BP/BTC responses and evaluator's comments.

A peer review session is held with all of the NGOs in the Working Group relevant to each Theme, and the Evaluators give feedback to their fellow Working Group members on how well the monitoring process was performed.

OSIAF produces a final report based on outcomes of monitoring activities on five Themes, reviews and agrees it with the monitors, BP/BTC and an independent organization if needed, and publicises the report/recommendations with the monitors' and BP/BTC's participation.