

NGO Audit Program: *BTC Monitoring Follow-Up* Working Group Report
BP General Response

BP is pleased to take this opportunity to thank the Follow Up Group for their participation in the BP/BTC/SCP – OSI NGO Audit Program. While we offer more specific, technical and audit-oriented responses in the results table, this general response is intended to provide BP, BTC/SCP and partner reaction to the overall conclusions and key issues raised in the report.

In examining how well BTC and partners have met commitments¹ made during the close of the BTC NGO Monitoring Program, the NGO Follow-Up Audit Group has shown exceptional commitment. We commend these individuals for their several years of involvement in a program aimed at evaluating BP and BTC's performance as related to *Cultural Heritage, Environmental, Human Rights, "Local Content"* and *Social* commitments. The feedback, input, suggestions and recommendations provided by the monitoring round and this subsequent follow-up audit represent an important source of performance-enhancing data. Given our dedication to continuous improvement, we are grateful for the assistance this process has provided. In short, we welcome the constructive suggestions provided by the group, and thank them for the valuable dialogue and inputs of the past few years.

In the *Cultural Heritage* follow-up audit, the objectives were to confirm actions undertaken in two primary areas: communication between BTC and appropriate government ministries, and efforts aimed at increasing public awareness of significant cultural and archaeological finds. While we appreciate the significant efforts represented by the audit, we must note considerable surprise and disagreement with many of the findings:

- We were pleased to note in the report that the auditor considers the long-term care of artifacts to be handled "as required by national legislation".
- We cannot support the auditor's contention that it is the responsibility of BTC to ensure adequate communication between two national government bodies, even if we agree that better coordination would benefit all. Neither can we be held responsible for ensuring that appropriate parties actively participate in each instance of cultural heritage-related activity. Our commitment is to ensure that we communicate well; that we design our activities to include support of partnership and cooperation. We believe our communication efforts have been significant and well documented.
- The auditor notes that excavation permitting, on sites that have not been formally designated as 'monuments,' is unresolved. This is an important observation. We concur that it is in the best interest of both the Ministry of Culture and the Institute of Archaeology and Ethnography that this issue be resolved, but it is not the remit of BTC/SCP to achieve this agreement.
- As regards the report's assessment of BTC/SCP activities related to public awareness, we share the auditor's excitement regarding the significance of the findings and the need for appropriate outreach. We disagree with the auditor's

¹ At the end of the NGO Monitoring Round in May 2005, representatives of each NGO working group met separately with BP/BTC and partners to discuss their reports and the observations contained therein. The results of these "dialogue meetings," which were recorded in tables and publicly released, included specific and verifiable BTC responses regarding future activities. We treat the actions described in these BTC responses as commitments—the departure point for audit.

criticism regarding lack of progress; as we endeavored to make clear during the audit, by design these activities were scheduled to commence *after* completion of the majority of pipeline construction activities. We are on schedule with design of outreach activities, and look forward to helping share these discoveries with the public.

The follow-up audit of ***Environment*** related commitments aimed to examine BTC performance in waste management and biodiversity protection. We are pleased to note that while we cannot accept all of the auditor's conclusions, the report represents a successful audit, containing several insightful findings and inputs. We would like to note that:

- The auditor's general commendation of waste management efforts is well-received. We accept that there is room for improvement, including particularly in the area of calculation of waste disposal volumes.
- We are surprised to read that the auditor feels no monitoring of waste incinerator impacts has taken place, as comprehensive air, soil and groundwater analyses are undertaken to provide added assurance that there was no environmental impact on these mediums. Documentation demonstrating this was made available to the auditor.
- Regarding biodiversity protection and restoration, we share the auditor's concern regarding the impact of a running track on the RoW. Likewise, we appreciate the auditor's finding concerning the protection of reintroduced plant species.

The objectives of ***Human Rights*** follow up audit were to examine land compensation and community safety communication and awareness efforts. Given the crucial importance of these topics, the unprecedented access provided the NGO auditor, and previous estimations of our efforts in these regards, we are surprised and disappointed by the findings of this report. We readily acknowledge that there have been some complaints in regards to land acquisition and compensation matters. We would add that we do not anticipate a safety communications "end-point" at which we consider our communication commitment met. Rather it is the case that continued and regular efforts are required to remind communities of the range of safe and unsafe activities associated with buried pipelines. Regarding BTC performance on both of these matters, the opinion of the independent, external evaluators is largely quite positive. We regret what we consider to be serious misinterpretations, omissions, and allegations by the auditor.

The aim of the ***Local Content*** auditor was to compare BP/BTC tendering and procurement activity with statements made at the end of the monitoring round. Additionally, the auditor was to review BTC partner FINCA's performance in light of claims made in the monitoring round. It gives neither BP/BTC nor FINCA any satisfaction to observe that this audit was largely a failure. We regret that the considerable time investment by all parties resulted in apparently no meaningful exchange of information with the auditor.

The last of the follow up audits, the ***Social*** assessment, focused on community investment and micro project implementation, as well as the provision of a telephone 'hotline' service in project-affected communities. We are pleased to congratulate the auditor for an impressive report. While we do not accept all of the auditor's

conclusions, the document presents a successful audit, and contains several insightful findings and inputs. In particular, we would note that:

- The auditor is right to focus on transparency, monitoring and audit as important tools to help increase the effectiveness of community investment projects. By regular audit, BP can assist our NGO and community implementers in keeping micro-projects transparent and on track. The auditor's findings and observations have contributed to an internal assessment and reorganization of our community investment project monitoring and audit processes.
- We agree with the auditor's emphasis on providing affected-community members with multiple 'channels' for communication with BP. While we are confident that our continuing community liaison activities will provide significant opportunities for direct communication of complaints, comments and concerns, we share the auditor's frustration regarding the poorly operating hotline. We are investigating potential remedies to the challenges associated with this service.

In conclusion, we would again like to thank the Follow-Up Group for their efforts, insights and recommendations. We hope that they have found their participation in the NGO Monitoring and Audit Program to be rewarding and useful.