

Summary Report

January 27, 2014 – Dialogue Group Meeting

Community Representatives and Bankers Petroleum Albania Ltd. (BPAL)

Summary prepared by

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Meeting Location and Time

Fieri Hotel
Monday, Jan. 27, 2014
12:30 - 15:30

Participants

- Representatives of communes of Zharrëza, Kuman, Mbrostar
- Representative of Municipality of Roskovec
- Community Relations Team Representatives from Bankers Petroleum
- Human Resources representative from Bankers Petroleum (guest speaker)
- Security Subcontractor from Bankers Petroleum (guest speaker)
- Representative of Ministry of Energy and Industry (guest speaker)
- Representative of Albpetrol (guest speaker)

Meeting Goals

1. First full meeting of CAO-Moderated Dialogue Group
2. Review initial decisions from previous meetings, and continue developing a “Terms of Reference” for the Dialogue Group
3. Brief update on installation of seismographs
4. Presentation and Discussion: Employment at Bankers Petroleum

Summary of Topics and Discussion

1. Update on Seismographic Installation Project
2. Dialogue Group structure and guidelines (“Terms of Reference”)
3. Employment and hiring practices at BPAL (guest presenters)

Section 4 of this report includes CAO’s “Summary of Outcomes” of the January 27 meeting, and “Proposed Next Steps for the Dialogue Group.” CAO requests feedback on the proposed next steps from each of the Dialogue Group participants within 30 days of receipt of this Summary Report.

1. Update on Seismographic Installation Project

The representative from MEI, invited as a guest presenter, briefly updated participants on recent developments concerning the installation of two seismographs near the impacted communities. He reported that there “has been an understanding between Albpetrol and BPAL” on the location for the two seismographs: one will be in Zharrëz, and one in Sheqisht. He also reported that Albpetrol had recently drafted an agreement and sent it to BPAL for review.

A BPAL representative provided the following update on the seismograph placement: Although the agreement is not yet signed, Bankers has proceeded with the installation work. The locations for the two seismographs have been drilled, and the engineer from the company that provided the seismographs (“Nanometrics”) would arrive on 28 January to put them into operation.

2. Dialogue Group Structure and Operating Principles

In the [previous] meeting of December 16, 2013, several community members and BPAL representatives tentatively agreed:

- 1) Three priority issues that the Dialogue Group should focus on: employment, investment, and environmental conditions;
- 2) A list of communities/names that should be represented in the dialogue group;
- 3) To hold monthly meetings of the Dialogue Group, facilitated by the CAO.

Participants at the December 16 meeting also briefly discussed a “Terms of Reference” that would clarify the goals, structure and operating principles of the Dialogue Group.

Because this meeting of January 27, 2014 included the larger group of participants, and was planned as official launch of the “Dialogue Group,” CAO prepared a DRAFT “Terms of Reference” for consideration of the larger group, and distributed it for discussion.

This draft document included a suggested purpose statement (goals); membership, decision making and communication considerations; and other organization principles – to be agreed jointly by the group. Because time was limited at the Jan. 27 meeting, participants did not discuss the full draft provided by CAO. However, an initial discussion about this Terms of Reference included:

- Purpose of the Dialogue Group
- Dialogue Group membership / composition
- Role of the media

Purpose of the Dialogue Group

All participants agreed that dialogue is a constructive approach to addressing community concerns, and discussing new opportunities. Both parties agreed in principle to continue engaging in dialogue, and agreed that dialogue must result in concrete results / outcomes.

One community representative stated that continuation and usefulness of dialogue is largely dependent on the solution to the main problem raised in the CAO complaint: the cause of earthquakes.

A BPAL representative stated that the Dialogue Group should focus not only on complaints, concerns and problems, but also on jointly identifying and developing new opportunities.

Community members said a dialogue process will be successful if it responds to their primary interests in employment and improved social and environmental conditions.

Dialogue Group membership / composition

Participants expressed different views regarding membership and representation in the Dialogue Group:

Bankers Petroleum Perspective: BPAL representatives said they appreciate the diversity of the group (community, local government, NGOs, etc.). However, they believe that representatives from other communes/villages impacted by BPAL operations also should be included in the Dialogue Group. In this way, each impacted community would have a voice in the process, and all views and perspectives would be heard. BPAL also suggested greater diversity of the group, such as youth, more women, health care workers, etc. This idea was supported by the NGO representative, as well.

Community Perspectives: Zharrëza representatives said they are participating in the Dialogue Group as 'legitimate' representatives of their community, as appointed by a Protests Committee established in December 2013.

Kuman representatives said they also were appointed by their community.

Mbrostar representatives said they were invited to the meeting but were not representing their commune council.

Several participants expressed concern about increasing the size of the group, as too many people could make decision making more difficult.

Role of the Media

Some community representatives asked why media was not in attendance at the meeting. From their perspective, including the media would help inform the larger community about developments within the Dialogue Group.

The facilitation team explained that a fundamental principle of any successful Dialogue Group is that both parties must discuss and agree on role of the media. For example: who should invite the media to a meeting? What is the common message (or "story") the Dialogue Participants want the media to share with readers? What if the media are biased or do not report accurately the proceedings of the Dialogue Group?

The meeting participants did not complete this discussion, or reach agreement on the role of the media in the Dialogue Group.

3. Employment and Hiring practices at BPAL

At the [previous] meeting on December 16, 2013, community members identified employment as the highest priority issue for the Dialogue Group to discuss at the first official meeting. In preparing for the Jan. 27, 2014 meeting, Bankers Petroleum Dialogue Participants invited the company's Human Resources (HR) manager to make a brief presentation on BPAL employment and hiring practices.

The HR manager provided some statistics on the number of employees hired by BPAL and its subcontractors. She stated that the largest number of employees is hired by BPAL subcontractors, rather than by the company itself.

Representatives of one such subcontractor, Titan Security Company, were then invited to discuss their hiring policies. They described their overall policy for screening qualified applicants for jobs as security personnel, and stated that meeting strict criteria was a key prerequisite for hiring. A representative of Titan Security invited interested Dialogue Group participants to visit his office if they wished to learn more.

Community representatives contested the accuracy of information provided by BPAL. They expressed a belief that more than ½ of people employed by BPAL are not from impacted communities. In addition, they believe there is a lack of transparency in hiring practices, and offered to develop and deliver some concrete proposals regarding employment which they would submit to Bankers Petroleum.

BPAL stated they were open reviewing and discussing all constructive proposals.

BPAL explained that it employs only 300 people – far fewer jobs than there are residents who are seeking employment. For this reason, BPAL has launched a number of programs to develop other types of income-generating activities. For example, a Vocational Training Program helps residents develop skills in various sectors. An “Agricultural Support Program” offers training and mentoring in commercial farming. BPAL said it is convening meetings with all impacted communities to inform and engage people about these and other programs, adding that this Dialogue Group presents an opportunity to generate additional ideas and information about these initiatives.

4. Outcomes and Proposed Next Steps

In closing the January 27 meeting, participants had different perspectives on the CAO-facilitated dialogue process. Some community members said they did not see the value of continuing dialogue, as they did not see how dialogue would result in immediate employment or hiring commitments by BPAL. Others supported the general idea of a Dialogue Group, but believe that for the process to be successful, all of the communities impacted by BPAL's operations should be represented. Still others expressed interest in continuing the dialogue as originally requested by Zharreza residents.

For some community representatives attending the January 27 meeting, it was their first introduction to the CAO complaint and the subsequent dispute resolution process that was agreed by Zharreza and BPAL representatives following a CAO assessment in May 2013. It also was their first introduction to the specific issues that were previously identified as key topics for the Dialogue Group. Therefore, not all participants at the January 27 meeting had a

clear understanding of – or had agreed to – the purpose, goals and expected outcomes of the CAO dialogue process.

From CAO’s perspective, impacted community members and BPAL have many common interests, yet there is a lack of clarity and consensus on the purpose and potential benefits of a longer-term dialogue process. Before continuing with the Dialogue Group as proposed by the CAO, and as agreed by a smaller group of participants in December 2013, it will be important to develop a common vision – one shared by all the participants – for how such a process might help to identify and achieve their common goals.

In the coming months, the CAO team will meet separately with community groups and BPAL representatives to get their perspectives and proposals on continuation of the dialogue process. These one-on-one meetings will focus on: (1) peoples’ ideas for whether or how company-community dialogue could benefit them, (2) key issues or topics they believe a dialogue process could effectively address, (3) their proposals or desired outcomes of such a process, and (4) specific standards or ‘ground rules’ they believe should be respected if a dialogue is to be successful.

Following these separate meetings with the stakeholder groups, the CAO will prepare a summary on stakeholder willingness and ideas for continuing the dialogue process. .

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JANUARY 27, 2014 MEETING PARTICIPANTS

Zharreza Commune

1. Përparim Braçe, Head of Commune Council
2. Taulant Grembi, Head of Commune
3. Arben Semanjaku, Commune Secretary
4. Dylber Karafili, Community representative
5. Kristaq Dimo, Head of Private Farmers' Union

Kuman Commune

1. Viktor Ngjeliu, Community representative
2. Ilia Vrapì, Community representative
3. Vjollca Prifti, Community representative

Roskovec Municipality

1. Akuila Kola, Representative from NGO – *Women, Community, Environment - Harmonized for Development*

Mbrostar Commune

1. Latif Doko, Community Representative

Bankers Petroleum Representatives

1. Barbara Lamb, Community Relations Manager
2. Sally Davidson, Community Relations Manager
3. Adriatik Golemi, Senior Community Relations Officer
4. Entela Noka, Community Relations Officer

Guest Speakers / Presenters:

Public sector

Stavri Dhima, Head of Unit, Gas Policies and Development Sector
Petroleum Policies and Development Directorate, Ministry of Energy and Industry

Albpetrol

Flamur Gishto, Senior Engineer

Bankers Petroleum and Bankers Petroleum Sub-Contractors

Fationa Bilerò, Bankers Petroleum HR Manager

Domenic King, Chief Operating Officer at Titan Protection Group Inc. (BPAL sub-contractor), and other Titan staff members