



13

ONE TEAM ASSURES  
SUCCESSFUL DELIVERY  
OF MULTIPLE PROJECTS



16

BTCTURKEY DECREASES  
LAND USE VIOLATIONS  
ALONG THE PIPELINE



24

PROFILE:  
BRINGING A  
REAL VALUE

48

BP'S ATHLETE  
AMBASSADORS  
RETURN HOME

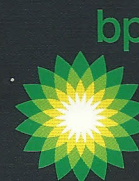
# COMPASS

#03  
AUTUMN  
2012

BP PUBLICATION FOR ALL WHO WORK IN AZERBAIJAN GEORGIA TURKEY REGION

## Anchoring safety

Unique project allows  
BP to effectively mitigate  
risks in environmentally  
sensitive zones





# Facilitating private sector growth in Azerbaijan

By Nigar Taghiyeva

On August 2011, Gunesh LLC, a producer of compressed gas and gas mixtures in Azerbaijan, received a certificate for completing the Enterprise Development and Training Programme (EDTP) – an initiative designed and launched by BP on behalf its oil and gas co-venturers in June 2007. EDTP's goal is to identify and develop local suppliers in oil and gas industry and in other businesses. The services provided by the programme are open to any local company at no cost.

Gunesh LLC portfolio includes the supply of technical gases, the manufacture of gas racks and the testing of gas cylinders. Under the

**The Enterprise Development and Training Programme's goal is to identify and develop local suppliers in oil and gas industry and in other businesses.**

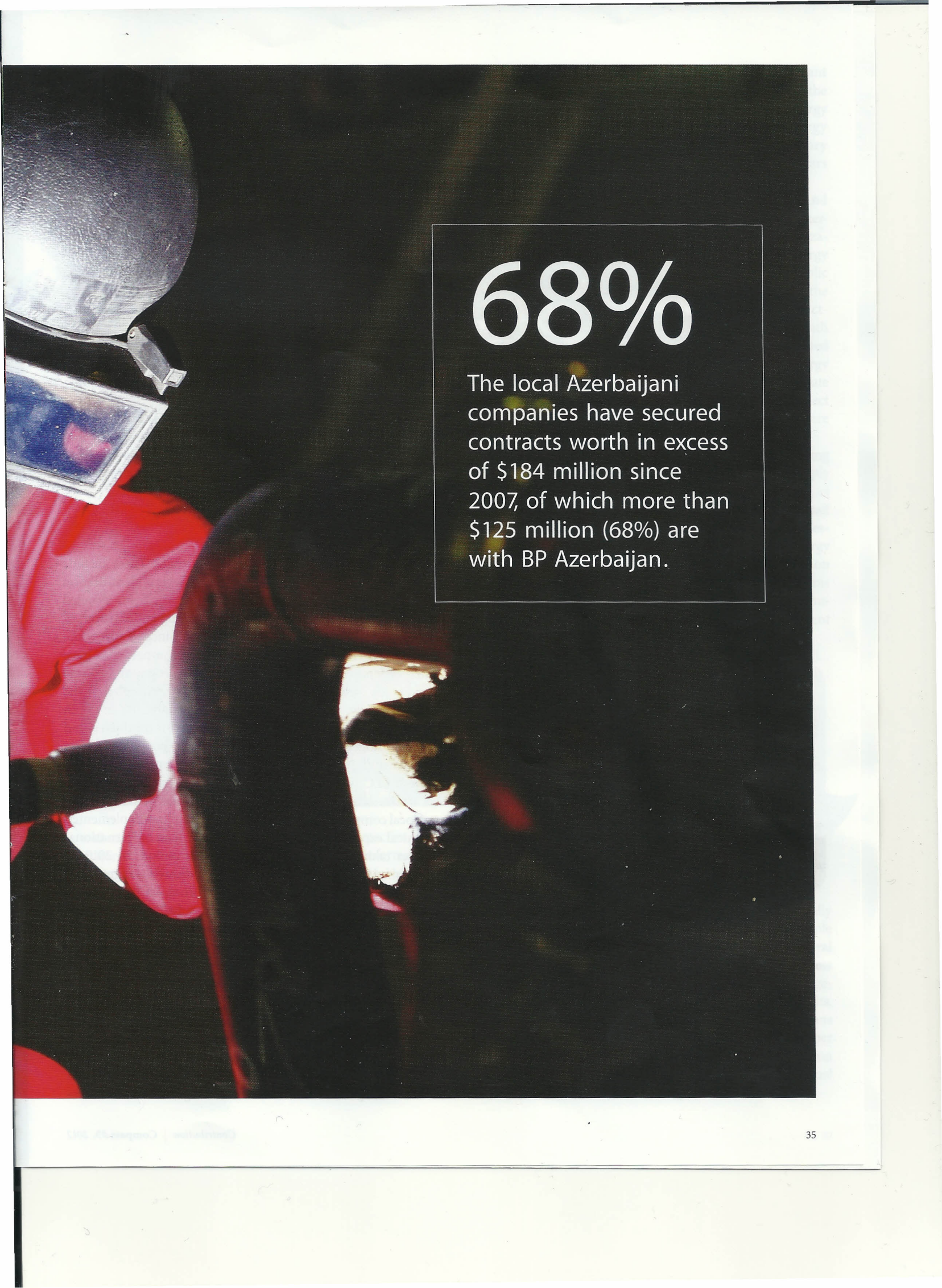
EDTP all these activities required very detailed analysis of the company's quality assurance and quality control (QA/QC) systems, HSE documentation, inspection of manufacturing and testing areas and equipment and assessment of the competence of the people involved in the activities. EDTP's role also involved increasing the awareness of the company to safety and health issues, making changes in the manufacturing and administrative sites and upgrading Gunesh LLC's existing documentation system.

The work started more than a year ago when Gunesh participated in a market study devoted to bottled industrial gases. From the outset its management was very committed to the EDTP process and successfully implemented all the actions advised by project consultants during the analysis process. During a follow-up visit a considerable change was observed. Buildings had been renovated, safety standards raised, signs and handrails installed and documentation improved. An expansion of activities had also begun.

Throughout the programme Gunesh staff showed great openness and support by EDTP staff and participated



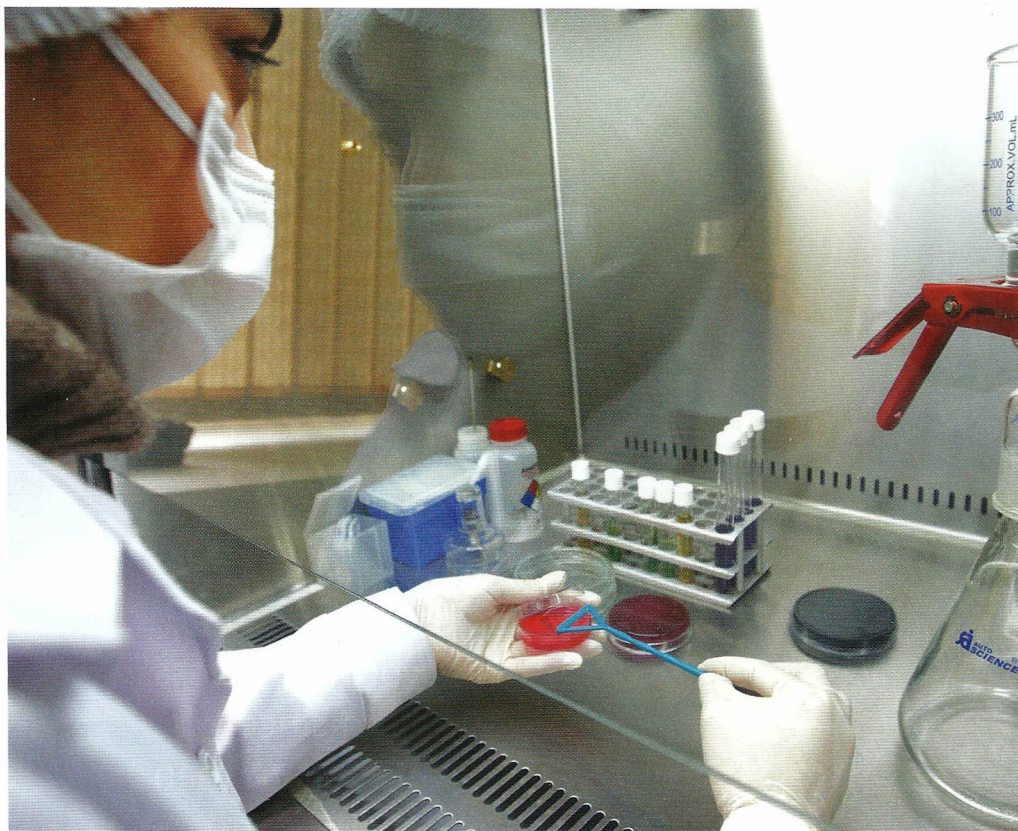




# 68%

The local Azerbaijani companies have secured contracts worth in excess of \$184 million since 2007, of which more than \$125 million (68%) are with BP Azerbaijan.





# \$8.7m

Almost \$8.7 million has been invested by these companies in new equipment purchases and installation.

# 500

More than 500 employees have been hired as a result of EDTP companies' expansion.

positively in training sessions and energy efficiency audits. This led them to complete the programme successfully in August 2011 and to increase in their business portfolio. Since completion of the programme Gunesh has won contracts with several international companies operating in Azerbaijan and hired more than 10 new people for implementation of these contracts.

"EDTP's role has been essential in our development," says Mr. Abdul Habibov, the director of Gunesh LLC "Thanks to this programme we have

made positive changes in our sites and offices. This has helped us to increase the level of safety standards/conditions, staff safety competency and QMS standards. These are very critical for our business. As a result of improvements on our HSSE/QMS systems, we successfully passed audits by several foreign organizations. Eventually, we were awarded a number of different contracts and achieved a noticeable increase in our business activity"

The example of Gunesh LLC is just one of many success stories achieved by the EDTP. Dozens of local companies have now achieved technical excellence and financial growth after taking part in the programme and going through its tough development process.

Essentially the EDTP is designed to help the international oil and gas industry boost local content in a way that increases company revenues and employment opportunities, raises health and safety standards, encourages foreign direct investment in Azerbaijan and improves the competitiveness of Azerbaijani industry.

It does this by covering a wide range of activities related to the development

of a local supply chain. These include the use of market surveys, identification of potential local suppliers, detailed gap analysis and implementation of development plans. Since its inception, around 1,000 companies have participated in the programme. Some 93 companies have completed the programme successfully, 182 in-depth gap analyses have been conducted and 187 tailored action plans have been produced to further support the participating companies in delivering improvement activities.

Initially, the project was implemented by ADCI/VOCA, an international development organization. In 2010, as part of our localization drive, agreement was reached with a local company, Azermis LLC, for further implementation of the project.

Overall the EDTP can point to substantial achievements in the 2007-11 period having built a sound reputation for finding, vetting, and developing companies over a range of goods and services while at the same time providing a ROI and payback to BP. All told, local Azerbaijani companies have secured contracts worth in excess

**"EDTP has helped us increase the level of safety standards, conditions, staff safety competency and QMS standards."**

**Abdul Habibov,  
director Gunesh LLC**



of \$184 million since 2007 of which more than \$125 million (68%) are with BP Azerbaijan. Almost \$8.7 million has been invested by these companies in new equipment purchases and installation. And more than 500 employees have been hired as a result of EDTP companies' expansion.

### Boosting local suppliers

"We have indicated that there is a need in stimulating activities in the local market," says Samir Tagiyev, local content coach, for BP Azerbaijan. "To this end we have developed a strategy that would bring together the local small and medium size enterprises with the major international contractors."

So with the aim of further supporting local suppliers earlier this year BP and its co-venturers organized a "Meet the Buyer" event. This gave local companies

gement and other categories participated, together with 150 international companies and organizations.

Participating companies later reported about 55 new contracts, 400 interactions with buyers and some 300 business linkages with potential suppliers and partners. The event also allowed exhibiting companies to interact with their competitors and

### Since inception of EDTP, around 1,000 companies have participated in the programme

project framework. Several important topics have been tackled including the concept of energy efficiency, energy efficiency management, energy auditing and the use of secondary energy resources. Similar seminars have been held in Turkey.

Representatives from local and foreign companies as well as international and governmental organizations including the Ministry of Energy and Industry of Azerbaijan Republic and AzerEnergy, participated in the seminars. In addition, project-dedicated staff have cooperated with more than 10 local companies selected because of their potential for energy efficiency improvement. During private meetings the energy efficiency project and the idea of energy audits were presented and explained.

In parallel, with the aim of helping local energy sector companies to apply the knowledge they had obtained through these seminars, project staff subsequently arranged counseling sessions with selected companies. Energy saving areas were identified, action plans drawn up to fill gaps and recommendations developed and communicated to the companies' management boards.



a chance to make direct contact with major buyers in the market. For the buyers it offered another chance to test the market and find out what is available. "This has ultimately resulted in sharing the knowledge, systems and technologies," says Samir.

Although only a one-day event, it proved to be a remarkable milestone – from concept and development to the event itself. In all some 90 local companies who had taken part in the EDTP representing business services, operations support, engineering, construction, logistics, waste mana-

prospective partners, thus acquiring the information about the market they operate in and getting more information about engagement opportunities.

Energy Efficiency (EE), another initiative developed under EDTP umbrella, launched at the end of 2010. This project was created to build the awareness of companies and people in Azerbaijan about the importance of energy efficiency, and also to provide targeted support to key companies and industries.

Two EE awareness seminars have so far been held in Azerbaijan within the

The EDTP project is among 12 commended entries in the Helios Awards from the Azerbaijan Georgia Turkey Region. The entry is in the Excellence category and is titled "Develop, Grow, Diversify! BP Azerbaijan's 'Marshall Plan' boosts local business."

The scale of what is potentially involved is underlined by the example of one company, RealGas LLC. Several energy-saving areas at this business were identified including cable change-outs, lighting and equipment retrofits. If implemented, the recommendations would save 40,000 KWatt of energy per hour each year which in CO2 emission equivalent terms is equal to the annual CO2 consumption of 800 trees. ■