

## **SUMMARY OF JUKLAP-PAMBERS TANGGUH LNG PROJECT**

### The Security Guidelines Agreement with Papua Police for Tangguh

---

On April 16, 2004, a Security Guidelines Agreement (*Guidelines*) was executed by the Chief of the Papua Police ( *POLDA Papua*) and BP Berau Ltd (*BP*), as operator of the Tangguh LNG Project. The Guidelines are valid for 5 years.

The Guidelines are executed pursuant to a Memorandum of Understanding (*MOU*) between BPMigas and the Indonesian Police on 20 June 2003, which relates to achieving improvements in security for upstream oil and gas activities in Indonesia. In implementation of the MOU, all production-sharing contractors are required to execute individual agreements with the police in the region in which their operations are located.

The Guidelines encompass (1) general principles, which form the basis for the provision of security; (2) procedures for the implementation of joint security measures; (3) development of joint security training; and (4) administration and budgeting. The main objective of the Guidelines is to ensure that BP and POLDA Papua adopt the same approach to implementing security measures in connection with the Tangguh Project. The aim is to create and promote common views, conduct and actions to ensure that all security activities are performed with a high level of discipline and professionalism, and in accordance with applicable law and human rights. This memorandum summarizes the Guidelines.

#### **1. General Principles**

The Guidelines were created to ensure that the working conditions at the Tangguh Project remain secure, in order, and without any violation of law. They cover the provision of security at the Project site and at associated Project facilities.

The Guidelines require that security activities will be consistent with the following four principles:

- Both BP Security and POLDA Papua commit themselves to uphold basic principles of human rights.
- As a priority, the prevention of injuries and fatalities will take place through minimum use of force.
- The security system adopted will be Integrated Community Based Security, which will rely on community policing to ensure security.

- Both BP Security and POLDA Papua will approach all issues on the basis of mutual respect with a commitment to discuss and solve all issues without resorting to violence or intimidation.

The approach to these principles consists of three components:

- **Compliance** – All BP Security and POLDA Papua personnel will at all times conduct themselves in full compliance with all relevant local and international law. Each commits unreservedly to comply with the standards of and be trained with regard to the Voluntary Principles on Security and Human Rights<sup>1</sup> and the U.N. Basic Principles on the Use of Force and Treatment of Offenders, which are included as attachments to the Guidelines.<sup>2</sup>
- **Training** – All BP Security and POLDA Papua personnel will be trained to ensure that they are thoroughly familiar with the Guidelines and relevant local and international law.
- **Notification** – Both BP and POLDA Papua will immediately notify the other in writing when it is believed either has acted in breach of any of these standards.

In conducting security operations, BP Security and POLDA Papua will engage in several types of activities:

- **Pre-emptive** – These involve enhancing safety awareness among workers and the local community by communicating proper procedures; providing an example of proper conduct; carrying out dialogues on security with local leaders and civil institutions; and clarifying grievances and complaints procedures.
- **Preventive** – These involve enhancing security awareness by performing intelligence activities; soliciting community involvement; carrying out coordination between all parties in order to preserve security and order; consulting with the Security Counseling Forum (consisting of community leaders), government, NGOs and other significant members of the community.
- **Law Enforcement** – This involves taking action in accordance with all relevant local and international law.

---

<sup>1</sup> The Voluntary Principles were developed by the Governments of the United States and the United Kingdom, companies in the extractive and energy sectors, and non-governmental organizations.

<sup>2</sup> Adopted by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Havana, Cuba, from August 27-September 7, 1990.

## **2. Implementation of Joint Security Measures**

The Guidelines describe the applicable security principles, approaches, standards, and procedures delineating responsibility between BP Security and POLDA Papua in different situations. The Guidelines contemplate a range of prospective threats – from simple theft to demonstrations to hostage situations. The Guidelines provide specific procedures to deal with such situations, as well as how an evacuation would occur and how security forces would be withdrawn once a situation is controlled. Two types of security measures are considered. Firstly, routine security measures, where each party carries out their usual security work on a normal basis. Secondly, joint security measures, which involve the community, BP Security, POLDA Papua and the formation of a security assistance unit, where a situation is more threatening.

Under normal circumstances BP Security will be in control of security. However, if a situation becomes more dangerous, BP Security has the discretion to request assistance from POLDA Papua. The Guidelines discuss the procedures and timeframes for BP to request security assistance and for POLDA Papua to respond to such requests.

Any request for assistance can only be made after following internal BP approval procedures and, if possible, carrying out consultation with the Security Counseling Forum. POLDA Papua will respond to a request for security assistance by deploying a security assistance unit to assist BP Security. The joint security measures will be carried out under the control of POLDA Papua, together with BP Security. The deployment of the security assistance unit is limited to the assigned mission as requested by BP and all actions of the unit must be coordinated with BP on a continuous basis.

Where an emergency situation can no longer be controlled by the joint activities of POLDA Papua and BP Security, a decision may be taken to request security assistance from the Indonesian National Army. The Guidelines state clearly that the decision to make such a request will be the joint responsibility of both the police and BP, and must follow a defined approval procedure. Again, consultation with the Security Counseling Forum is required, if possible. The Guidelines envisage that such a request would only be made as a last resort, in circumstances of a severely anarchic demonstration or situation, where the situation is beyond the capability and authority of the police.

In carrying out security, all BP and police personnel are required to abide by the following rules:

- Act in accordance with all applicable procedures and regulations;
- Use the minimum force necessary to control any violent situation;
- Avoid fatalities and environmental pollution;
- Control the use of weaponry to curb the risks and dangers to other people who are not involved;
- Using persuasion as a first priority with any acts that could cause injury or death as a last resort; and

- Immediately reporting any incident of weaponry or any act causing death or injury.

### **3. Development of Joint Security and Training Measures**

The Guidelines define a program of professional capability development for all security personnel working in and around the Tangguh LNG Project. Specifically, POLDA Papua personnel will be trained through the Indonesian National Police educational institutions in accordance with the Guidelines and relevant local and international law. BP may request assistance from POLDA Papua to conduct advanced security guard training for BP Security personnel.

In addition, the Guidelines discuss joint training development and mandate that joint training exercises be conducted at least once annually or more frequently as required.

### **4. Administration and Budget**

The Guidelines describe specific commitments of both BP and POLDA Papua with respect to bearing the costs of security for Tangguh. In this regard:

- Both BP and POLDA Papua will bear its own cost for the conduct of its activities or the discharge of its basic routine obligations under the Guidelines.
- If BP requests security assistance from POLDA Papua:
  - With BP approval and request for payment, BPMigas will make payment to an institutional account to cover the associated expenses, including transportation, lodging, meals, and daily allowances.
  - The amount and procedure for payment will be based on standards and procedures issued by BPMigas.
  - BP will not be obligated to pay for any support unless previously approved and accepted by BPMigas as ‘cost recoverable’ based on the applicable production sharing contracts and approved by BP Management and its investment partners in Tangguh LNG Project.
  - BP will not be allowed and will not provide any weapon, weaponry, ammunition or any funding to support the procurement of these items.
- All costs, payments, and provisions of materials or supplies will be open and transparent and both parties have the discretion to publicly disclose this information.

The Guidelines will be supplemented by an Activity Manual prepared in accordance with Integrated Social Strategy Activities and Community Policy established by POLDA Papua in conjunction with the Tangguh LNG Project Manager.