



Oil & Gas
Authority

Stewardship Expectations

SE-09 Collaboration Implementation Guide

1. Introduction

The UK oil and gas industry has been undertaking collaboration for over 40 years (for example, in the form of joint venture partnerships and areas of mutual interest). However, the obligations arising from the MER UK Strategy are relatively new.

Collaboration by participants in the industry is required under Section 9A of the Petroleum Act 1998 (as amended). Collaboration is a required action and behaviour in the MER UK Strategy, subject always to the safeguards in the Strategy, in particular regarding competition law. In order to assist the industry towards appropriate collaboration, the OGA published a paper in 2016 called “Competition and Collaboration”¹ to provide guidance on the relationship between collaboration and competition law.

2. Objectives

The specific objectives of this Expectation are to:

- a. Encourage licensees to develop a culture of collaboration within their organisation and to promote greater collaboration within existing joint venture partnerships
- b. Ensure existing commercial collaboration tools and processes developed by the industry are used more positively and proactively in daily business, and to identify areas for improved collaboration through the use of a simple recognised collaborative behaviour assessment tool, such as the OGA Collaborative Behaviour Quantification Tool²

The OGA recognises that future developments in collaboration may extend to interactions between joint venture partnerships or between joint venture partnerships and other organisations.

¹ <https://www.ogauthority.co.uk/news-publications/publications/2016/competition-and-collaboration/>

² The OGA Collaborative Behaviour Quantification Tool will be available from Q2 2017 on the OGA's website

3. Indicators to assess delivery

Meeting the requirements of this Expectation can be expected to involve a demonstration of the following:

3.1 BUILDING A CULTURE OF COLLABORATION

- a. Evidence of senior leadership commitment to a culture of collaboration
- b. Evidence of organisational engagement on the added value of collaboration, such as:
 - General training and / or awareness of the expectation regarding collaboration
 - Specific training for Commercial Code of Practice Champions (CCoP)
- c. Recognition of importance of technical alignment as the basis for subsequent collaboration
- d. Evidence of collaborative engagement beyond the immediate joint venture to recognise common interest
- e. A regular assessment of opportunities to learn from and share with others, and a willingness to communicate these learnings
- f. A review and improve process to assess the impact of collaboration

3.2 UTILISING COLLABORATIVE PROCESSES

3.2.1 Collaboration within a joint venture

At least every two years, the joint venture should conduct and document an assessment of collaborative behaviour using a recognised collaborative behaviour assessment tool³. This should be:

- a. Complete with an action plan to improve on the poorest collaborative working areas
- b. Accompanied by an assessment outcome and action plan should the OGA request
- c. Completed under the auspices of the Joint Venture Operating Committee

Existing guidance and tools are available to assess collaborative behaviour which are suitable for use in demonstrating delivery of this Stewardship Expectation element:

- OGA Collaborative Behaviour Assessment Tool: <https://www.ogauthority.co.uk>
- BS 11000 – Collaborative Business Relationships: <https://www.bsigroup.com/bs-11000>
- Institute for Collaborative Working (ICW) – Online Tools to support Collaborative Working: <https://www.instituteforcollaborativeworking.com/>
- ECITB Project Collaboration Toolkit: <https://www.ecitb.org.uk/Project-Management/Collaboration>
- Other 3rd Party Collaborative assessment service providers

³ The OGA Collaborative Behaviour Quantification Tool will be available from Q2 2017 on the OGA's website

3.2.2 Commercial collaboration

Each licensee should act in accordance with the voluntary codes of practice and charters to which they have signed up, including the Commercial Code of Practice (CCoP), and the Code of Practice on Access to Upstream Oil & Gas Infrastructure (ICoP). In particular, a licensee should be able to demonstrate:

- a. Compliance with the CCoP, including providing examples where requested
- b. That they have clearly identified and communicated their CCoP champion internally and externally and that the appointed individual is competent to act in this capacity
- c. That they have satisfied the 'review and improve' activities incorporated into the CCoP regarding commercial activity
- d. Compliance with ICoP, including providing examples where requested

4. Safeguards

The OGA acknowledges there may be considerations relating to competition law arising from collaboration. Further to its published guidance, the OGA's view is that such considerations should not be used as an excuse not to comply with the obligations set out in the MER UK Strategy, unless they are well-founded.

The OGA expects that licensees have appropriate access to advice on competition law matters such that competition law is not used inappropriately as a barrier to collaboration.

5. OGA Analysis

On the basis of the guidance in this document, the OGA will assess whether licensees are engaging in collaboration as part of the requirements of the central obligation of the MER UK Strategy to take the steps necessary to deliver MER UK.

In particular, where the OGA is requested to assist a joint venture with a disputed matter, or approaches a joint venture to understand a potential disputed matter, the OGA may request to see output of the joint venture's collaborative behaviour assessment.



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