

Media Briefing



**Friends of
the Earth**

18-20th May 2005

DEVELOPMENT AID AND THE BAKU-CEYHAN PIPELINE

Friends of the Earth International campaigners from Ghana, Nigeria, Georgia and Guatemala will be in London this week to call on the UK Government to stop funding oil, gas and mining projects through International Financial Institutions (IFIs). Kety Gujaraidze leads a programme of monitoring community impacts of the Baku-Tbilisi-Cayhan pipeline project. The programme is part of a range of monitoring and campaigning work carried out by Green Alternative, an advocacy group based in Tbilisi, Georgia.

Kety Gujaraidze will be in London this week to demand an end of the misuse of development aid, through International Financial Institutions for projects like the Baku-Tbilisi-Ceyhan Pipeline (BTC) . Gujaraidze leads the “social monitoring programme” on BTC for Green Alternative, involving awareness raising, information dissemination and support for affected communities along the pipeline in Georgia.

Green Alternative is a charity that aims to inform communities about their rights, supporting affected citizens in their claims and bringing their concerns and lobby their interests with IFIs. Gujaraidze actively works to support communities and individuals to resolve grievances related to land compensation, construction damage and other pipeline project impacts. In addition to her work at Green Alternative, she has extensive experience in working for the Georgian authorities and has an MSc in Environmental Management and Policy from Lund University in Sweden.

Friends of the Earth, members of the Baku-Ceyhan Campaign [1] campaigned with Green Alternative for several years to prevent public money being used to sponsor this project. However, project finance has been agreed by the World Bank, the European Bank for Reconstruction and Development, and others. Now that the project is almost built, this year marks the beginning of a new phase of the Baku-Ceyhan Campaign, looking at the impacts of the project and ensuring key environmental and social problems are addressed [2]. **The World Bank and other International Financial Institutions that have agreed to finance BTC using public money in the name of development aid, must not allow the significant concerns, outlined below, to remain unaddressed.**

The Baku-Ceyhan Pipeline Project

In 2003, the World Bank, and the European Bank for Reconstruction & Development (EBRD) agreed \$600 million to finance BP's BTC Pipeline. In the face of international opposition, the controversial project will carry oil across 1750 km from Baku in Azerbaijan through Georgia to Ceyhan in Turkey, unlocking major oil reserves in the Caspian, and delivering 1 million barrels of oil a day, predominantly for western consumers. The project was heavily promoted by the US administration, keen to secure sources of non-Middle Eastern oil.

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Political Problems

The BTC pipeline threatens to worsen conflict and human rights abuses in a region already all too familiar with armed conflict. In Eastern Turkey the pipeline will pass through largely Kurdish areas, where the struggle for recognition and separatism has been the source of conflict. While the country is currently experiencing an uneasy truce, the PKK has suggested that pipelines may be a strategic target in any resumed conflict.

In Azerbaijan, following his election late last year, President Ilham Aliyev suggested that oil revenues might be used to help restore the country's "territorial integrity" in their long running and bloody border dispute with neighbouring Armenia

In May this year, prominent Turkish human rights defender Ferhat Kaya was arrested and tortured following his work to highlight the social and environmental impacts of the controversial Baku-Ceyhan pipeline.

Environmental Problems

The BTC pipeline passes through the Borjomi national park and mineral water aquifer in Georgia, an area of difficult terrain where landslips are common. Borjomi water is a major Georgian export and significant contributor to Georgian economy. Any oil spill in this region would be disastrous for the local environment, and for the mineral water industry. Key potential investors have already withdrawn from investing in mineral water for fear of reputational risk due to the pipeline routing.

There is also a potential seismic risk to the pipeline. Turkey lies in a major earthquake zone, and one of the most serious fault lines in Turkey runs directly from Sivas through Erzincan to Erzurum: exactly the intended route of the Baku-Tbilisi-Ceyhan pipeline. There have been at least 17 major earthquakes in this region since 1924.

Construction Problems.

Since construction work on the pipeline began, there have been various reports of construction problems and irregularities. In February 2004, it was revealed that a faulty paint had been used for the joints in Azerbaijan and Georgia, potentially requiring the pipeline to be dug up and recoated. In June, there were reports from engineers working on the pipeline who documented a number of failings in pipeline construction methods, such as the use of inappropriate materials and a failure to hire proper specialists to advise on crossing seismic faults in the earthquake-prone region. In July, the Georgian Government temporarily suspended work on BTC because of BP's repeated failure to obtain the necessary environmental certification for construction in the Borjomi region.

Notes

[1] More information about the Baku-Ceyhan Campaign can be found at www.baku.org.uk

[2] More information about the relaunch of the Baku-Ceyhan Campaign will be available at the Public Meeting: International Financial Institutions & Extractive Industries: Time for a Phase Out?, London School of Economics, New Theatre, LSE, Houghton Street, London WC2A 2AE, Thursday 19th May 2005 18:30 - 20:30.

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