

The Baku-Tbilisi-Ceyhan (BTC) Pipeline—What’s Really Happening

Hello, and thanks for taking the time to find out a bit more about the **Baku-Tbilisi-Ceyhan (BTC) pipeline**, one of BP’s flagship projects. Since BP is so keen to emphasise to its own employees how green and sustainability-minded the company is, you’ve probably heard a good deal about the benefits of the pipeline to the host countries and governments, and how misled and “anti-BP” the protestors are. Unfortunately it’s your employer who’s doing the misleading; give us a second to show you how, just using one of many documents, BP’s “Briefing for Staff” of February 4th this year.

BP Claim: *“The BTC pipeline will bring major benefits, not only to BP and its partners, but to the countries it passes through, Azerbaijan, Georgia and Turkey.”*

Reality: Maybe the project will benefit the elites of the three countries, against all of whom serious charges of corruption have been levelled (especially in Turkey, where a major parliamentary inquiry is underway), but not ordinary people. They will face environmental disasters and catastrophic accidents (which, as a result of the legal agreements behind the pipeline, BP prevents their governments from taking action against); increased human rights violations from the armed forces carrying out pipeline security; and the near impossibility of getting legal redress if bad things happen. They won’t even get any energy from the pipeline.

BP Claim: *“All three countries will benefit from tariffs and taxes generated by the project. During the construction of the pipeline, 10,000 jobs will be created.”*

Reality: By our calculations, from publicly available figures, Turkey will get just \$250 million in the first five years of the pipeline’s operation, less than President Putin just spent on a presidential jet (£186 million). Yet the country will have to pay up to twice that to BP and its partners if its section of the project is delayed, as well as any cost over-runs AND compensation if the profitability of the project is affected. In Azerbaijan, we found that BP is importing not only the workers for the project, but their prefabricated dorms and even their food, contributing nothing to the local economy. Even where there are local jobs (a small fraction of the total 10,000), they will be for just 3-6 months during construction. After construction is complete, BTC will bring just 850 long-term jobs to the entire region.

BP Claim: *“Local people have been consulted along the length of the route.”*

Reality: NGO Fact-Finding Missions to the pipeline route found countless cases of villages BP claimed to have consulted which had in fact not even been told by BP of the project, let alone asked their opinion. For example, in Georgia, a Mission visited 20 villages, of which just 6 had been properly consulted, 3 partially informed or consulted, and 11 not informed at all. In any case, all three of the countries involved in BTC have poor human rights records and regimes that border on the autocratic. People affected by the pipeline live in environments where freedom of expression is badly curtailed and dissent repressed, often with violence. How can there be proper consultation when people don’t have the right to say no?

BP Claim: *“Anyone disadvantaged, for example by losing use of farmland during the construction, will be generously compensated.”*

Reality: The compensation payments we came across on our visits to Turkey averaged about 25-50p a square metre of land, not enough to live on, let alone generous. People without formal paperwork to show ownership of land that has been theirs for generations are getting nothing—in fact, the Turkish pipeline company BOTAS is pursuing the few people it has paid through the courts to get the money back! In Azerbaijan, most people can’t even read the contracts they are given, because they are in a new alphabet.

BP Claim: *“The route also carefully avoids politically volatile areas.”*

Reality: The pipeline route in north-east Turkey goes through regions with a large minority Kurdish population, who have been subjected to extra-judicial killings, disappearances and torture for many decades. So repressive is the region that even NGO fact-finding groups were

detained without explanation there. Local politicians warn that militarisation of the pipeline route could lead to a breakdown in the fragile ceasefire between PKK guerrillas and the Turkish state. Georgia is so conflict-ridden that the government refused to guarantee the project's security along the most feasible pipeline route, and so BP sent the pipeline through the Borjomi National Park, endangering Georgia's main export, Borjomi mineral water, and causing a major row with international funders.

BP Claim: *“The HGAs [the legal agreements for the pipeline] protect the consortium and the local population from the application of outdated legislation left over from the Soviet era and ensure that all standards applied for safety, environmental protection and technical work are as stringent as those applied in the EU.”*

Reality: The HGAs don't force BP to apply EU standards, they simply make vague and non-binding references to EU standards, essentially saying that BP is permitted to apply EU standards *if it wishes*. The HGAs impose almost all of the legal requirements on the governments, not the companies, and specifically prevent the governments from introducing any new environmental, social or human rights laws which make the pipeline less profitable. Even the “outdated” Soviet legislation actually had higher environmental and safety standards in some areas than BP wants to apply. The recent ‘joint statement’ BP signed with the governments expressing their commitment to the environment and human rights is useless—it has no legal teeth whatsoever, and seems intended solely for PR purposes.

BP Claim: *“The agreements also take a standard approach to protect companies making multi-billion dollar investments.”*

Reality: True! Well, kind of. BP and other big companies want the HGAs to become a standard model for major investments, because they put all the burdens on the host countries and give the lion's share of the benefits to corporations. Not only is that the exact opposite of “corporate social responsibility”, it makes it much harder for ‘developing’ countries to actually develop.

BP Claim: *“BP welcomes an open debate and the opportunity to set out its views... We are very willing to discuss these issues in public.”*

Reality: We have offered BP the chance to take part in public debates on the BTC project over and over again. The company refused to attend an Expert Seminar with oil analysts and experts at the House of Lords last October. We set up a public debate on BTC at the LSE at the end of May, with BP as the keynote speaker. Having agreed to come, the company backed out on the morning of the meeting. Why won't BP justify their request for \$2 billion in public money to the public? What are they scared of?

Finally: who are we? Are we ‘anti-BP’, like your boss says? Are we ‘anti-pipeline’? No. We expect BP to operate in the service of its shareholders and its bottom line; that's what big corporations do. The use of the rhetoric of poverty alleviation and regional development to expedite that sticks in our craw a bit, but that's not our main point. What we are opposed to is the use of **over \$2 billion** in what your *über*-boss, Lord Browne, called **“free public money”**, to a project that **demonstrably has no public interest** either here or in the region, to a project whose own legal agreement says, “the Project is not intended or required to operate in the service of the public benefit or interest in its Territory” [IGA, Article II (8)]. We know what your bosses say, that the public money is needed to allow other groups to take part: - actually, its main purpose is to give BP the leverage of the big international moneymen in case any of the host countries get less corrupt governments in future that want a fairer deal.

The 120 day period for public disclosure of the BTC project with the big funders has just begun. If you have concerns about what is going on here, now is the time to raise them. Tell your colleagues, tell your boss, tell your union. And please also tell us. We can be contacted at baku@gn.apc.org, on 01865 200550, or at our website, where there's a whole raft of more information we didn't have space for here, www.baku.org.uk. Make a difference.