

Oil addicts find new veins as BTC pipeline finally opens

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The day before state dignitaries, oil men and bankers from around the world gather for the grand launch party in Turkey of BP's more than one year delayed Baku-Tbilisi-Ceyhan (BTC) pipeline, campaigners who have monitored the BTC project are charging BP and participating international financial institutions (IFIs) with failing affected communities and the local environment. The campaigners say that the onus is now on the IFIs to stand up for affected communities on the receiving end of BP's botched job.



Photo by F. Daburon and P.M. Couprie

Despite BP's many promises of social development and environmental protection, and the labelling of BTC as a "development project" by the World Bank's International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), local people's lives have been blighted by intimidation, social and economic disruption, infrastructure damage and pollution throughout the construction of the BTC pipeline.

The construction process for BTC, BP's flagship pipeline which has amassed cost overruns of USD 1 billion (32 percent over budget), has been dogged by construction failures and malpractice. With leaks likely and security forces increasing their patrols, the future holds little promise of improvement for affected people in Azerbaijan, Georgia and Turkey.

Civil society organisations from BTC-affected countries, Europe and the US have collated the evidence from their monitoring reports and investigations from the last four years. It paints a desperate picture of destruction, abuse and betrayal. [\[1\]](#) Just last month the IFC's Complaints Advisory Ombudsman threw out twenty complaints lodged by BTC-affected residents in Georgia on the grounds that they could do no more.

Manana Kochladze, of Tbilisi-based group Green Alternatives and Caucasus coordinator for CEE Bankwatch Network, said: "The public banks have made up their minds that BTC is an unmitigated success story, which is certainly half true as a lack of mitigation of the project's impacts has been a feature over the last five years and continues today. Horrendous testimonies abound along the pipeline route of unpaid compensation, prostitution and trafficking and commitments to reduce poverty and create quality jobs that have not materialised. Time and again we are seeing that when local people turn to the grievance mechanisms of the banks for help, the banks turn round and say, 'Sorry, we can't help', usually for bureaucratic reasons."

Environmental problems and regional tensions posed by BTC are also set to increase as the project's profitability is now reliant on oil from Kazakhstan, with around 3 million tons to be exported via BTC from autumn this year, and 7.5 million tons annually thereafter. Despite the project's promoters claims that Azeri oil would be sufficient for the 40 year lifetime of BTC - while it was clear that this was never going to be the case - the Caspian Sea is now set to take the BTC strain and the undiscussed environmental impacts.

Mika Minio-Paluello, Oil & Finance officer for PLATFORM, commented "This shipping of Kazak oil across the Caspian Sea was not publicly factored into the BTC plans nor did it feature in the due diligence of the banks that financed BTC, despite NGOs raising the issue repeatedly. One of the key selling points of BTC was that it would not add to tanker traffic through the Bosphorus – but now the strain will be transferred to the Caspian."

Ahead of this weekend's G8 summit in Saint Petersburg, Graham Saul, International Program Director for Oil Change International, said: "Rather than fighting climate change and working to overcome oil dependence, G8 governments and the World Bank are handing out billions of dollars in subsidies to the global oil industry and projects like BTC. You just can't do this and then turn around and ask the world to believe that you are serious about overcoming energy poverty and fighting climate change, yet that is exactly what the G8 is planning on doing this weekend in Saint Petersburg. We need a new energy revolution, not another generation of oil wars, volatile prices and rising temperatures."

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