

## Nigeria Ten Years On

*10 years on from Saro-Wiwa the Niger Delta remains one of the world's most unstable oil provinces, despite US-UK ambitions.*

Ten years ago on 10<sup>th</sup> November, 9 men were hanged in a squalid courtyard at Port Harcourt Prison, Delta State, Nigeria. The leader of the non-violent Movement for the Survival of the Ogoni People (MOSOP), Ken Saro-Wiwa and 8 of his Ogoni colleagues were accused of murder.

Four Ogoni chiefs had been killed in rioting the year before but there has never been any evidence to link the nine men to the crime. Rather, Saro-Wiwa had been leading a campaign against the environmental and social devastation caused in

the Delta by the operations of Shell and other oil companies. At the time the Delta was boiling with conflict precipitated by

**The government admits that most of the \$350 billion earned from oil revenues has been wasted**

the military government's clamp down against the protests. A decade later - despite the increasing importance of Nigerian oil to global energy security - or perhaps because of it - the Delta today is more volatile than ever.

Nigeria is the quintessential example of the resource curse. The government itself admits that most of the \$350 billion earned from oil revenues since the 1960s has been wasted. It is the biggest oil exporter in Africa, the 8<sup>th</sup> biggest in the world, yet 70% of its people live on less than a dollar a day. Nigeria's elite are fabulously wealthy, owning multi-million dollar homes in Nigeria and abroad & placing incredible sums in foreign bank accounts. According to some estimates, perhaps as much as \$100 billion is sitting in foreign accounts with Nigerian names on. Tax havens, the majority of which are in British or Commonwealth jurisdictions, are central to the global money laundering infrastructure that enables Nigerian politicians to bleed the country of its oil wealth.

One such account was recently exposed causing political reverberations that threaten to further destabilise the Delta. The governor of Nigeria's biggest oil producing state, Bayelsa, was arrested in London on 15<sup>th</sup> September for suspected money laundering. When police raided Governor Alamiyeseigha's

London home they found £1 million in cash. On 28<sup>th</sup> September, Alamiyeseigha was charged with 3 counts of money laundering and remanded in custody until 6<sup>th</sup> October.

Rarely discussed in detail is the role of London-based banks - who participate in Nigerian corruption by facilitating transfers and profiting in the process. Other UK and US companies such as Halliburton, working on the Shell-operated Bonny gas project, have admitted to corrupt business practices in Nigeria. Invariably, such companies are relatively unscathed by these revelations, whilst in Nigeria the

**The Gulf of Guinea is seen as a counterweight to the Persian Gulf - *The Next Gulf***

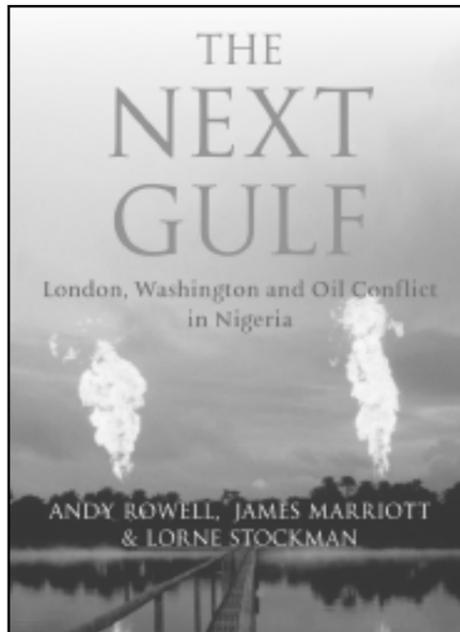
ubiquitous corruption of government and business only serves to stoke civil disorder.

Alamiyeseigha's arrest has caused outrage amongst the Ijaw peoples of the Delta, many of whom believe he is being unjustly singled out.

Threats of violence, destruction of oil facilities and harassment of foreign oil workers are rife and given the level of arms in the Delta should not be taken lightly.

Reports from the region claim that many villages have access to between 20 and 100 AK-47s and some groups have rocket propelled grenades and other sophisticated weaponry. The predominantly unemployed youth of the Delta resent the unobtainable wealth in their midst, are frustrated with a corrupt political system and are easily attracted to militias that give them status. Many observers are concerned that the Delta could erupt at any moment, with the spring 2006 primaries for the 2007 presidential election often cited as the flashpoint that could send the region over the edge.

The role of the international community is not insignificant, neither is its interest in maintaining order. With US oil supplies heavily threatened by this year's hyperactive hurricane season and oil markets soaring over supply fears, the last thing big oil importers like the US



*The Next Gulf* is published by Constable-Robinson on 10<sup>th</sup> November. The book can be pre-ordered from amazon.co.uk

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## Iraq Constitution lays ground for oilfield sell-off

As Iraq goes to the polls in this month's referendum on the draft Constitution, the fate of the country's oil reserves has once again escaped public scrutiny – despite their central importance to Iraq's future economy.

According to Oil Ministry officials, contracts will be signed with foreign oil companies during the first nine months of 2006, opening the majority of Iraq's oilfields to western companies for the first time in 33 years.

While the unrealistic deadlines imposed by the US/UK occupation – in effect, the Constitution was drafted in just three months – have helped reduce debate to a battle between three political blocs, oil plans proceed unchallenged.

### Contracts will tie the hands of any future Iraqi government for 25 years or more

In this factionalised politics, one key issue was how revenues from, and control over, oil production would be shared between central government and the regions. What was missing, however, was the debate on how revenues and control should be divided between the Iraqi state and private companies.

The draft Constitution states that oilfields will be developed according to "the most modern techniques of market principles and encouraging investment."

This perhaps sounds innocuous enough, and indeed – like much of the Constitution – is open to considerable ambiguity in its interpretation. But placed in context, it can be seen as laying the ground for radical change in Iraq's oil industry, which will be unique among the major oil producers of the Middle East.

Parallel to the Constitution, a Petroleum Law has been drafted, to be implemented following the elections of December/January.

According to sources in the government, although some details are still being debated, it specifies that Iraq's currently producing fields should be developed by the state-owned Iraq National Oil Company (INOC), but all other fields should be developed by private companies.

Only 17 of Iraq's 80 known fields, and 40 billion of its 115 billion barrels of known reserves, are currently in production. Thus the policy potentially allocates to foreign companies 64% of known reserves. If a further 100 billion barrels are found, as is widely predicted, the foreign companies would control 81% of the total, and if 200 billion were found, as some suggest, they would have 87%.

The policy has its roots in guidelines issued by Interim Prime Minister Ayad Allawi in August 2004. He stated that new fields should be developed by private companies through production sharing agreements (PSAs), the contractual mechanism favoured by the oil companies.

But Allawi went further:

- New fields would be developed *exclusively* by private companies, with no participation of INOC;
- The Iraqi authorities should not spend time negotiating good deals, but should



The draft Iraq constitution as circulated to households

Unravelling The Carbon Web (UtCW) is a project of PLATFORM. It aims to critically examine the web of companies which constitute the international oil industry.



The project focuses on London, which has historically been the headquarters for two of the world's largest oil companies - BP and Shell - and is home to many companies servicing the oil industry. This newsletter brings you our latest work alongside oil news from around the world.

proceed quickly with terms that the companies will accept, while leaving open the possibility of later renegotiation;

- INOC should be part-privatised. It is not known whether these details have been carried forward into the current draft Law. But whatever the detail, it is clear that the opening up to foreign companies is moving forward apace.

The Oil Ministry is already actively seeking discussions on the development of 11 oilfields in the south of Iraq, and has held preliminary talks with BP, Chevron, Eni and Total. It has explained that since contract negotiations can take several months, running them in parallel with the Constitutional process and the finalising of the Petroleum Law could save time, to sign contracts as quickly as possible once the Law is passed.

PSA contracts generally last for 25 years or more. Not only will they impact on Iraq's public revenue (of which oil accounts for almost the entirety), they are likely to preclude any future regulation or legislation that damages the oil companies' profits. And once signed, they will be irreversible.

That contracts signed while Iraq is still under occupation will tie the hands of any future Iraqi government is of grave concern. And that this is happening without public debate is even more worrying.

However, oil companies remain nervous about the deteriorating security situation. The great tragedy is that the one thing that may stop the loss of Iraq's sovereignty over its resources, and of its main opportunity for development, is the continued bloodshed.

More info: [www.carbonweb.org](http://www.carbonweb.org)

## BP's stranglehold on Azerbaijan

There are few independent and publicly critical voices emanating from Azerbaijan. With the current regime of President Ilham Aliyev - like that of his father Heydar before him - enforcing its hegemonic control through both brute force and a strong hold over public discourse, speaking out is a daunting task. Yet **Mayis Gulaliyev** and his Centre for Civic Initiatives rise to the challenge.

Mayis believes that political change will only become possible after challenging the role of oil corporations, in particular BP, in propping up Aliyev. "BP has a strong hold on the government and other spheres of society." "BP's involvement in our country has moved this regime towards dictator-like behaviour. Until the signing of the 'Contract of the Century' [Heydar] Aliyev had normal relations with the opposition. After the contract was signed in 1994, the political repression began. BP is a pillar of the Aliyev regime. Why? Because BP profits from its control."

The Baku-Tbilisi-Ceyhan pipeline and Caspian offshore production were promoted as aiding regional development. Yet Mayis claims that the benefits are not reaching the people. "BP claims it has already invested \$13 billion in the Azeri economy, possibly rising to \$60 billion in the future. But money goes into expanding oil and gas operations. It is going to BP and the Consortium, not to the Azeri economy, nor its people."

### Consultants' award despite failed consultation

ERM, the London-based consultancy which carried out questionable Environmental and Social Impact Assessment (ESIA) for BP's BTC pipeline, has been voted top consultancy on issues of Corporate Social Responsibility (CSR) by EDIE.net. ERM is increasingly focusing on large multinational clients such as BP and on helping these clients to communicate their message. Unfortunately for many affected communities ERM has been less good at consulting them. Last year ERM posted profits of \$38 million. Executive chairman Robin Bidwell said that the company might consider a flotation but not for another five years.

Although Azerbaijan has several private newspapers and television stations, Mayis argues that these have become dependent on or intimidated by BP. "Several journalists told me of agreements where financial support from BP depends on articles critical of the pipeline being blocked. This is why I want to publish an independent bulletin about BP's activities in Azerbaijan."

"We are no longer independent, we are living under corporate occupation. Just look at the pipeline guards: 650 armed men on horseback patrolling the pipeline corridor. They are operating under the Ministry for Internal Affairs'

### BP is a pillar of the Aliyev regime

Division for BTC Security. Yet their recruitment, training and deployment is paid for and co-organised by BTC Consortium. According to the agreements, these guards must use their weapons to protect BP property, not to provide security for local residents."

Mayis is not optimistic about the Parliamentary Elections on 6<sup>th</sup> November. "At the most, the opposition will take 20-25% of the seats. They will be under the control of the government and BP."

The opposition parties died two years ago, after the EBRD's decision to finance BTC. Now they try to keep good connections with BP to receive funds. They believe that they need BP to earn power in the future. This election [Ilham] Aliyev won't even need to attack the demonstrations, they won't be a threat to him anymore."

Despite the difficulties, the Centre for Civic Initiatives has created the political space and skills to critique BTC. When BP attempted to drown Azerbaijan's fledgling civil society in PR, Mayis sourced original project documents and provided rigorous analysis of implications. To counter BP's control over 'official' monitoring mechanisms, Mayis joined these and fought for their independence, while simultaneously organising parallel human rights monitoring on the ground. Azerbaijan's civil society is far from independent or vigorous – but Mayis is dragging it in that direction.

Member groups of the international BTC campaign met in Tbilisi in mid-September to strategise. The result was a new declaration of action based on the idea that "the injustice does not stop when the oil starts to flow"

Subsequent Fact Finding Missions in Georgia and Turkey found many of the impacts of construction - such as land compensation and damage to houses - still remain unresolved, after two years, while new human rights abuses are feared.

Preliminary findings and a full report will be available shortly. [www.baku.org.uk](http://www.baku.org.uk)



Mayis gets his hands dirty on a fact finding mission in Turkey

need is supply disruption from Nigeria. Nigeria's plans to increase oil production to around 4 million barrels a day by 2010 is keenly anticipated by the US and UK. The time taken for a tanker to reach the US from Nigeria is five weeks less than that from Saudi Arabia. The US is already importing over 10% of its oil from Nigeria and Nigeria is hoping to increase this to 15%.

The UK is also eyeing Nigeria's oil supply with increasing concern. Not just because of its role in stabilising global energy prices but because the UK will become a net importer of oil by 2010 as North Sea reserves decline. Further, both countries' gas demand is set to soar while domestic supply dwindles (the UK will become a net importer of gas next year) and Nigeria is often described as "a gas province with some oil".

It is because of Nigeria's increasingly pivotal role in global oil-politics that the title 'The Next Gulf' has been chosen by PLATFORM writers James Marriott and Lorne Stockman and co-author Andy Rowell for their forthcoming book. The Next Gulf uniquely draws together a number of key strands: the British colonial history in Nigeria, the events of the past decade in the Delta, the corruption scandals surrounding several UK and US companies engaged in the region, and America's foreign policy and military planning in relation to the Gulf of Guinea.

Since 9-11, there have been dozens of conferences and seminars in Washington and elsewhere all aimed at reorienting the attention of policy makers and oil company executives towards West Africa. The spectre of disruption in the world's biggest oil producer, Saudi Arabia, became chillingly



The new 'Atlantic Triangle' - oil and cashflows between London/Washington and Nigeria

clear after 9-11 and the vulnerability of the US to this was stark. Consequently the Gulf of Guinea is increasingly being seen as a counterweight to the Persian Gulf - The Next Gulf.

The book is part of the Remember Saro-Wiwa initiative and it explores not only the distant and recent past, but also the possible futures of the Delta. Four hundred years ago, the Delta became a key element in the global economy, forming one of the three corners of the Atlantic Triangle. This triangle was built on the barter purchase of slaves in the Delta, their transportation to the plantations of the Americas, the production of sugar and tobacco on these plantations and the export of these tropical goods to the ports of Britain and Europe. London was pivotal in this triangle, profiting from the slave trade and coordinating the export of guns and other items to the Delta as goods to facilitate barter. It was a trade system built on slavery and violence that lasted for 250 years.

The current trade in oil and gas, with the majority of Nigeria's output again crossing the Atlantic, appears to be recreating this triangle. Once again resources pour out of the Delta and guns flow in - though this time

London shares its role with Washington. The last triangle was broken by resistance in the villages of the Delta, rebellions on the slave plantations and the anti-slavery movement which began in London. Is it possible that the current triangle will be radically altered in a similar way? Are the people of the Delta doomed to follow a development path charted out in conferences in distant cities? Or will they determine their own path? 'The Next Gulf' concludes with proposals for the future of the Delta drawn from activists in the region, a vision very different from those conceived in Abuja, Washington and London.

## Take Action - MPs' motion on oil and poverty

Following Platform Research's Pumping Poverty report (*see Issue 1*), Michael Meacher MP tabled an Early Day Motion (EDM) in parliament to see how many MPs agreed with his view that oil projects are not a good use of the UK's aid budget.

The EDM's first airing gathered 116 signatures before being cut short by the election. The current EDM gathered 70 signatures before parliament closed for summer and is aiming for more when parliament re-opens.

## Remember SaroWiwa Season

[www.remembersarowiwa.com](http://www.remembersarowiwa.com) for details on all these events

**21<sup>st</sup> Oct.** - Season Launch at Museum of London.

Shortlisted artists' proposals for the Living Memorial: Film to be screened at:

- City Hall: **21<sup>st</sup> - 31<sup>st</sup> Oct.**
- Museum of London: **21<sup>st</sup> Oct. & 4<sup>th</sup> Nov.**
- Whitechapel Gallery: **3<sup>rd</sup> -10<sup>th</sup> Nov.**
- Queen Elizabeth Hall: **9<sup>th</sup> Nov.**

More venues TBC.

**27<sup>th</sup> Oct. (all day):** Gog & Magog: a performance walk through the City of London, exploring the web of companies behind Shell operation in Nigeria

**4<sup>th</sup> Nov.(7:30pm):** The Living Memorial: Artists' Talk, Museum of London, featuring Gary Younge

**8<sup>th</sup> Nov. (7pm):** Panel-Discussion The Future of the Niger Delta. Amnesty International, London, featuring Ken Wiwa

**9<sup>th</sup> Nov:** Remember Saro-Wiwa: A night of Poetry & Music. The Purcell Room, Queen Elizabeth Hall, London, featuring Wole Soyinka

**10<sup>th</sup> Nov:** Announcement of winning Living Memorial proposal and 10<sup>th</sup> anniversary commemoration events. Publication of *Dance the Guns to Silence: 100 Poems for Ken Saro-Wiwa and The Next Gulf*.

### Take action

**Friends of the Earth, Plan B and PLATFORM are calling on supporters to ask their MPs to sign. To see if your MP has signed yet, look for EDM 407 on the Commons pages at:**

[www.parliament.uk](http://www.parliament.uk)

**To find your MP and send a message urging them to support the EDM go to [www.writetothem.com](http://www.writetothem.com) or write a letter and send it to your MP, House of Commons, SW1A 0AA For more information see: [planb.org/campaigns/edm407](http://planb.org/campaigns/edm407)**

## MPs shocked at Niger Delta situation

MPs from the newly formed All Party Parliamentary Group for the Niger Delta travelled to the region in July. Carbon Web spoke to chair of the group, John Robertson MP, and learned that MPs were shocked at levels of corruption and proliferation of small arms in the Delta.

This became immediately apparent on arrival at Port Harcourt airport, the group were held up for some time by an official demanding bribes to allow them to enter the country, which they refused. On another day, the group were held up by a group of armed youths who thought they were employees of Shell and were not keen to let them pass through their village.

In October the group will publish a report, which is expected to highlight fears of escalating violence in the region as the country approaches elections in 2007. The 2006 primaries are widely seen as a potential flashpoint for major violence in the Delta and the report is expected to call for international pressure to disarm militias and youths before aspirant politicians mobilise these groups in support of their candidacy

John Robertson MP will speak about his trip at a panel discussion on 8<sup>th</sup> November at Amnesty's offices in London. The event is part of the Remember SaroWiwa Season.

See page 4, and [www.remembersarowiwa.com](http://www.remembersarowiwa.com) for details

## BP under pressure In Pakistan

Hunger strikes and sit-ins have been taking place in protest at BP's oil extraction operations in Badin, south-east Pakistan. The area is rich in oil and gas but has been declared the poorest district in the country by the World Bank. The People's Rights Action Committee Badin met with BP officials in July to discuss failing development projects funded by BP. Independent evaluation of the projects has been lacking and the local communities accuse BP of investing in infrastructure which cannot be maintained by the communities. Further hunger strikes are planned from 15<sup>th</sup> November and international demonstrations are expected in January when the world social forum meets in Karachi.

[www.actionaid.org/pakistan](http://www.actionaid.org/pakistan)

## Sakhalin banks shortlisted

According to the journal Project Finance International, 8 banks have been shortlisted as potential lead arrangers for Shell's controversial Sakhalin 2 development in Russia's Far East - with final appointment of about 4 of them expected soon. They are: Bank of Tokyo Mitsubishi, Mizuho and SMBC of Japan, ABN Amro and ING of the Netherlands, Hypovereinsbank and West LB of Germany and Royal Bank of Scotland. The project is causing serious damage to the local fishing industry, to livelihoods of indigenous peoples, and to the viability of the endangered western grey whale. Hypovereinsbank has since denied involvement.

[sakhalin.environment.ru/en/](http://sakhalin.environment.ru/en/)

## Companies turn backs on Katrina toxic soup

Those that have lived next to the refineries and chemical plants in Louisiana have long suffered from the effects of toxic spills in their water and air. But hurricane Katrina has delivered a devastating toxic soup from oil facilities that were inadequately protected and should never have been sited in such vulnerable positions in the first place.

According to Denny Larson of the Refinery Reform Campaign, "We are now facing a crisis in the Gulf States, due in part to ignoring the toxic chemical complaints of industrial communities and continuing to concentrate unsustainable developments in that disaster prone region."

Katrina affected some of the Gulf of Mexico's largest refineries, including ExxonMobil's facility in Baton Rouge, Chevron's unit in Pascagoula, Valero's St. Charles refinery, Shell/Motiva's facilities in Convent and Norco, as well as ConocoPhillips' Alliance refinery, Marathon's Garyville refinery, Chalmette Refining facility and Murphy Oil Corp.'s Meraux, refinery.

Many of these refineries and associated infrastructure have leaked crude oil, chemicals and refined products into floodwaters and subsequently into people's homes and neighbourhoods. However, little is being done by companies to clean up or even admit what has been emitted.

Denny Larson explains that companies have been making "a big deal" of donations to the Red Cross and of other examples where company employees have helped in the rescue effort.

However, they remain totally silent about the millions of gallons of pollutants that these facilities have spilled into local communities. Larson says that communities can expect no compensation from companies as they will use an "act of god" clause despite there being preventative measures that could have been taken.

"Companies prepared for this hurricane by getting their employees out of the way. They did nothing for local communities and did nothing to prevent spillages or minimise damage other than shut down the refineries", said Larson.

In Chalmette Louisiana, a community on the edge of New Orleans where a refinery run by Murphy Oil has leaked 819,000 gallons of crude, every home in the town is destroyed by floodwaters laced with crude oil, petrol and a cocktail of other toxic substances.

Henry Rodriguez, Jr. president of St. Bernard Parish in which Chalmette is located said, "There's nobody who can come back here and live in a house, nowhere in this parish."

[www.refineryreform.org](http://www.refineryreform.org)

## French refineries strike

On 6<sup>th</sup> September, oilworkers in France disrupted work at 5 Total refineries. They went on strike to protest at disciplinary action against 4 employees blamed for a leak at Total's Marseille refinery on 7th August. Workers hold management responsible for failures which lead to the leak.

**Sea change in the North Sea?**

The UK's oil production reached its peak in 1999 and since then has declined year on year. However on 6<sup>th</sup> September, in the latest North Sea licensing round, 152 new licenses were awarded, the highest number since 1964.

This sudden rush marks a structural shift in the nature of the UK offshore industry. For although some of the licenses were purchased by the Majors - Shell picked up 1.2 million acres in 20 contiguous blocks off Newcastle - these larger corporations have generally been selling North Sea assets in the past few years. In their place have come small companies, known as 'scavengers' - 24 new companies got licenses in this round.

**Flying in the face of science**

Two well-publicised studies this month have increased fears of 'runaway' climate change. Scientists found melting permafrost in Siberia, which may release methane - a potent greenhouse gas previously trapped as hydrates - into the atmosphere. Another study found accelerated melting of the Arctic icecap - reducing the reflection of the sun's rays. Both could signify dangerous positive feedbacks, potentially making climate change impossible to slow down.

As climate concern intensifies, UK Environment Minister Elliott Morley recently accepted that "it doesn't make sense" for aviation - the fastest growing source of greenhouse gas emissions - to continue to be excluded from emissions targets.

However, this concern appears not to have impacted the executive lifestyle at Shell. Flush with record oil profits, the company has just spent \$60m on adding three more jets to its private boardroom fleet.

**BP, Texas City**

Following the fatal accident at BP's Texas City refinery in March, a 29<sup>th</sup> July fire at Texas City brought the company's safety record further into the spotlight. The same day BP shut down production from its Schienhallion field in the North Sea also due to a fire. BP failed to post record 2<sup>nd</sup> quarter profits in July citing \$700 million which it has set aside for compensating victims of the March explosion as one reason. Last week, BP paid a fine of \$21m for 'systematic lapses' leading to the Texas City blast.

**Court fines BP for pollution death**

CLEANUP, a group in Missouri, USA has seen a victory in a legal case against BP. A judge awarded \$13.3 million to the family of Nancy Ryan who died of a blood disorder brought about by exposure to Benzene. Mrs. Ryan lived adjacent to a refinery where oil leaked into the ground for over 30 years. Managers knew in 1950 that underground pipes and tanks were leaking. Instead of a full cleanup, in 1966 a ditch was dug to collect leaking oil. BP now plans to sell the old refinery site, CLEANUP continues to campaign against a proposed childrens' playground on the contaminated land.

**Venezuela signs Caribbean deal**

In the face of the rising oil price, an ideological struggle over energy supplies is raging across the Caribbean. On 20<sup>th</sup> September Nicaragua's left wing Sandinista opposition announced a deal with Venezuela aimed at ending energy rationing in Sandinista controlled areas. Two weeks earlier president Chavez of Venezuela had signed a deal with Caribbean countries extending Petrocaribe an agreement which provides member countries with oil on favourable terms. The US will be watching the deals closely since Venezuela is its largest energy supplier outside the Middle East.

**Pipeline launch threatens Istanbul**

BP have devised an ingenious plan to make sure they hit their official BTC launch date. To ensure the Ceyhan reservoirs are full on time, tankers are picking up oil from the Baku-Supsa pipeline and shipping it across the Black Sea. But rather than sending it directly to Western markets, the ships are being redirected east to Ceyhan.

This move will send the oil tankers through the Bosphorus and thus the heart of Istanbul. Limiting traffic through the Straits was a central argument for BTC, with ever-growing fears of a collision or leak leading to a massive environmental disaster.

**Changing the carbon capital**

London produces as much CO2 as Portugal or Denmark. So it's good news that this month sees the launch of a new solar school in Mitcham, south-west London. The Tamworth Manor School has been fitted with a photovoltaic array that will produce 5KW of electricity from the sun, and a solar thermal array 8 meters square that will produce hot water. This is the eighth solar school scheme undertaken by SEA/RENUVE, a sister organisation to PLATFORM and ten more are in the pipeline.

Such projects show that step by step London can shift from being a city driven by fossil fuels to one driven by renewables. From being the Carbon Capital to being a showcase of sustainability.

The photovoltaic array at Tamworth Manor School



**Oilwatch statement to the general assembly of OPEC**

*We reproduce here an abridged version of Oilwatch's 19<sup>th</sup> September statement. Oilwatch is a resistance network that opposes the activities of oil companies in tropical countries. The full statement can be found online at: [www.oilwatch.org/ec/english/documentos/decla2005\\_opec-ing.htm](http://www.oilwatch.org/ec/english/documentos/decla2005_opec-ing.htm)*

**Sovereignty under threat**

During the 1970s, OPEC achieved a significant turnaround in global forces. For the first time ever, the oil-producing countries in the South were in an advantageous position. It managed to limit the colonial model of appropriation of raw materials.

However, with this triumph, all the member countries of OPEC entered into a global technical pattern, created from and for the benefit of certain countries. They thereby started to have a direct dependence on the global functioning of the industry, its finances and its technical-scientific system.

Transnational companies have recovered much of the space they lost during the 1970s. They have recovered direct control over the oil companies and deposits, or they have managed to achieve an increasing number of guarantees that allow them to occupy tactical spaces both locally and internationally.

Most of the state-owned companies have been unable to stop or effectively limit the intervention of the transnational oil companies. On the contrary, the latter are advancing both in the strategic area of services and in the processes of reform and adjustments imposed on our countries by the multilateral banks, fostering the dismantling of the national companies.

One example would be the fact that the directors of Halliburton, Exxon-Mobil and Chevron-Texaco are extremely powerful inside the government of the United States - the main oil consumer with a huge resource deficit - and since they are the people who hold all the information on the reserves of the planet, they are the protagonists of the wars for the conquest and control of the resource.

However, with the arrival of the new century, this world is reaching two important limits: first, the global depletion of reserves, especially in small and medium oil-producing countries and secondly, the catastrophic exhaustion of the planet's environmental ability to support more burning of hydrocarbons. OPEC countries have done little or nothing to enter into the field of research and change to energy alternatives adapted to the characteristics of their own countries, nor have they managed to diversify their economy.

OPEC members are already facing the impacts of climate change and pollution linked to the oil civilization. We only need to remember the December 1999 Vargas disaster in Venezuela, caused by totally unpredictable rains, or the forest fires in Indonesia, caused by droughts.

We certainly need to add to these problems the local environmental impacts caused by the extraction, transportation and refining of crude.

**Transnational companies have recovered much of the space they lost**

Countries with arid and semiarid ecosystems are suffering, due to climate change, an increase in desertification; they are losing the little amounts of agricultural lands they have, and their scarce sources of water are being polluted.

Countries with rainforests are rapidly losing their biodiversity, a strategic resource.

In addition, the local impacts of oil activities generate discontent among the population.

It is vital for OPEC members to consider the interest of citizens rather than dancing to the shifting strategies of powerful consumer nations and corporations.

Regaining sovereignty, the establishment of a policy of reinvestment and control of excess production, and the setting of conditions to develop a new post-oil civilization, are imperative to protect these countries and their inhabitants.

If not, all these countries will find themselves with a huge ecological and social debt. Our legacy will be ruinous economic and environmental decadence and dependence, which will be as disastrous as the punishment imposed on these countries by climate change.



**For all the above, Oilwatch proposes the following:**

To open up a national and international dialogue on sovereignty and privatization, on the short and long term and on social, economic and climate justice.

To start a discussion on a post-oil economy, where alternative energies are controlled and provided by States and which can identify solid bases to sustain energy sovereignty and social and economic well-being.

To take in the precautionary principle, already included in the most important international conventions, and to start adopting it progressively among OPEC countries and the rest of the nations in the world.

To open up a debate among the tropical countries that are members of OPEC on the broader ecological and economic benefits of safeguarding and keeping our oil reserves as a way to preserve biodiversity and water, respect human rights, contribute to address climate changes and to gear their policies towards sovereign and non oil-dependent nations.

To avoid the criminalization of protests and resistance by local communities who denounce the impacts of oil activities, because they are defending the rights of the people, the countries, and the planet.

For the planet and its people.

**Oilwatch •**

## Notes from Gog & Magog

Readers of the pink paper will have noticed, there is a battle being played out through the adverts on its pages - a battle for sustainable credibility. In the yellow and green corner, BP is fielding twice weekly statements: 'It's time to pull the plug on carbon emissions' and 'It's time to think outside the barrel'. In the yellow and red corner, Shell pitches in with 'Is supplying cleaner energy good for business?' and 'What impact does a new gas field have on the people who live close to it?'

The sense of rivalry is palpable. Shell had been running its campaign since February, placing a half page in the FT every few weeks. Suddenly, on the first day of the G8 Summit, there was a full page from BP: 'It's time to go on a low-carbon diet.' The very next day Shell graced the same paper, this time with a full page: 'Is liquefied natural gas the way to a cleaner energy future?'

The BP campaign is being run by Neil Dawson at Ogilvy PR at Canary Wharf, whilst the Shell adverts come from Chris Thomas's outfit, Proximity-London, under the watchful eye of the team at Fishburn Hedges. A bit of rivalry like this is surely good news for them. But with Chevron also trying to win hearts through corporate adverts, it makes us wonder why all this sudden outpouring of 'green advertising' now? And why has BP suddenly returned to its slogan 'beyond petroleum'?

A team from Ogilvy PR, led the re-branding of BP in 2000 with the slogan 'beyond petroleum'. Chris Atkins at Ogilvy celebrated this award winning campaign, stating that just one month after the brand relaunch, 77% of BP's workforce believed it was credible for BP to go beyond petroleum. Twelve months later, the slogan was discreetly dropped, clearly this 'credibility' was short lived. Since July, the strap line has graced the FT and Economist. Why now? and why now for Shell and Chevron's offerings?

Is it merely that with the oil price so high the Majors are awash with money for ad campaigns? Or do the companies fear the bad PR that inevitably floats in on the tide of petrol at £1 a litre? Ian Adam, BP director of UK Reputation and Internal Communication elucidates a little: 'High oil prices and profit margins make people look at BP more closely. And inside the company, people are maybe less comfortable talking about what they do for a living with their peers.'

\*

Another Director who thrived on PR, Sir Phil Watts, whose 'resignation' from Shell was accepted 18 months ago, has refused to take that blow lying down. Ever pugnacious, Phil took the Financial Services Authority (FSA) to tribunal. The announcement last August that he was doing so was clearly the worst nightmare for his former employers: the threat that the issue of reserves would be kept before the public gaze.



Sir Philip Watts

However, this month comes the news that Phil's action against the FSA has been rejected. Shell's new vice-president for media and communications, Bjorn Edlund, must be delighted, but it leads us to wonder why did Phil do it? No stranger to the art of PR, he oversaw the great re-branding of Shell that gave us 'Profits and Principles - Does there have to be a choice?' How can he have been so misguided? Perhaps after this blow, he'll go quietly and retire to tend the Japanese garden at his home in Berkshire, hoping that the FSA don't pursue any further enquiries.

## Chad pipeline legal threat to rights

The governments of Chad and Cameroon may be unable to guarantee basic human rights, according to a new report by Amnesty International. Legal agreements known as host government agreements (HGAs) which govern the World Bank supported Chad Cameroon Pipeline Project could jeopardise human rights. Clauses governing project risk make the ExxonMobil led pipeline consortium de facto unaccountable in the pipeline zone and the governments may be unwilling or unable to intervene to guarantee human rights if that disrupts operation of the pipeline. Campaigners have raised similar concern over HGAs governing BP's BTC pipeline.

Download the report:  
[web.amnesty.org/library/index/engpol340122005](http://web.amnesty.org/library/index/engpol340122005)

## Conference criticises impact of oil on Africa

On 23<sup>rd</sup> and 24<sup>th</sup> September GroundWork, the South African environmental justice organisation, convened a civil society forum, with NGOs from around the world. The Johannesburg conference mirrored the 18<sup>th</sup> World Petroleum Conference, seeking to challenge the oil elite. The event launched the GroundWork Report 2005, which focuses on oil in Africa, justice, equality and sustainability.

More info: [www.groundwork.org.za](http://www.groundwork.org.za)



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