



Nominated for the Public Eye Award 2005
In the category:

LABOUR RIGHTS

Nomination by: Center for Civic Initiatives,
Azerbaijan, CEE Bankwatch Network/Green
Alternative, Georgia and Friends of the Earth
England, Wales & Northern Ireland

www.evb.ch/publiceyeondavos.htm

BP for the Baku-Tblisi-Ceyhan Pipeline (BTC)

Headquarters:	London
Turnover / Net profit:	US\$ 233 billion (turnover 2003) US\$ 10.5 billion (profit 2003)
Branch of trade:	exploitation and production of crude oil and natural gas; refining, marketing, supply and transportation; and the production and marketing of petrochemicals
No. of employees:	103,700 (in December 2003)
CEO:	Lord John Browne
Member to the WEF:	YES (in January 2004)

Outline

BP's website says "our goal is no damage to the environment" and "no accidents and no harm to people". In fact, nothing could be further from the truth. The Baku-Tblisi-Ceyhan (BTC) project illustrates BP's lack of commitment and it reveals that BP's so-called "corporate social responsibility" is utterly useless. The nominating organisations demand that BP complies with international labour law and ameliorates the conditions at the construction site of the BTC pipeline.

General Information on the Case

The BTC project is governed by an Inter-Governmental Agreement (IGA) between the governments of Azerbaijan, Georgia and Turkey (but drafted by BP's lawyers), and by an individual Host Government Agreement (HGA) between each of the three governments and the BP-led consortium. The pipeline's legal agreements make BP the effective governing power over a strip of land 1760 km long. The agreements allow BP to over-ride all labour, human rights, social, environmental and other laws, present and future, for the next 40 years. Moreover, the agreements enable BP to demand compensation from the governments should any law make the pipeline less profitable.

Characteristics of irresponsible corporate behaviour

BP have a historic record of violating their commitments for 'corporate social responsibility'. At BP's OCENSA pipeline in Colombia, built in the mid-1990s, landowners are still fighting in court for compensation. Another example is the Baku-Supsa 'Early Oil' pipeline, built by BP in 1997-99, along the same planned route as BTC, through Azerbaijan and Georgia. BP still owes communities reparations.

- In the BTC project, BP are breaking internationally agreed labour standards. A Fact Finding Mission to Azerbaijan in October 2004, met with several BTC workers who worked 12-14 hours

a day, 7 days a week. Similarly, in order to secure a minimum subsistence salary, BTC workers in Georgia are required to work 12-14 hours per day, including weekends and holidays

- Four senior pipeline experts who worked on the Baku-Tbilisi-Ceyhan (BTC) pipeline for BP in Turkey have revealed a catalogue of incompetence, cost-cutting and shoddy workmanship, which raises major questions about the safety of the pipeline. Two of the experts were sacked after expressing their concerns.
- The UK parliament's trade and industry select committee released a report from an independent consulting engineer, which showed that the sealant used on the Azerbaijan and Georgian section of the pipeline had cracked on a quarter of all joints surveyed in Georgia.
- A fact-finding Mission to Turkey in March 2003 found that the levels of compensation were imposed on people and that the non-negotiated levels of payment were only a fraction of the true value of the land.
- The Georgian government already suspended work on BTC for a week last summer, following BP's decision to start construction in the ecologically vulnerable Borjomi region, despite its repeated failures to obtain the necessary environmental certification to proceed. The region contains the Borjomi national park, an area of outstanding natural beauty and mineral water springs. Besides the national park, the Borjomi region also contains the Kodiana Mountains, an area of geological complexity and extreme vulnerability to landslides and earthquakes.

Consequences

The BTC project disrespects internationally agreed labour standards and violates human rights law. In addition, the project involves considerable safety risks both to the environment as well as to the people living in the area.

Current status and demands

- BP should comply with internationally agreed labour standards
- Residents are to be paid in full for all losses sustained as a result of construction of the BTC-pipeline
- An independent full quality control audit of the construction work should be undertaken
- Work should be suspended in Borjomi until environmental concerns have been fully addressed

Link to the details of the nomination: www.evb.ch/nominations.htm

Further information and links:

www.bankwatch.org

www.greenalt.wanex.net

www.baku.org.uk

www.foe.co.uk