Dear Friends

In this issue Resistance Bulletin brings you a very moving article about the impacts of oil exploitation on human health. We bring you an article of a case study conducted in the Venezuelan oil producing area. The health issue completes itself with a summary of a recent publication in Ecuador.

We also want to share with you a series of events that have taken place in the last season as the trials presented against the oil companies ChevronTexaco, Occidental Petroleum and BP in Ecuador and Colombia, and OECD, as well as the launching of a petition for a moratorium to oil activity in Ecuador.

In the human rights field, we include information on West Papua and BP company.

Warm Regards to all,

OILWATCH INTERNATIONAL SECRETARIAT

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1. GOOD NEWS

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ECUADOR: MORATORIUM REQUESTED

On the Environment's day, a group of 50 social organisations, local governments, communities, environmentalists delivered the Minister of Environment a petition to declare in Ecuador a moratorium to the expansion of the oil frontier and open pit mining. As witnesses, the Major Auki Tituña attended; he has worked for years to declare his jurisdiction as an Ecological Municipality. Also the Mayor of Tambo Grande assisted, where months ago a popular consultation took place, in which 98% of the population voted against mining, and a Costa Rican parliament member, Edwin Petterson, who was involved in the declaration of moratorium to oil development in his country.

The petition text states that Ecuador will not carry on new oil explorations, nor will it authorize mining projects for metal extraction due to an international effort to preserve the agricultural and wild biodiversity, the world climate, and to support sustainable activities, for a period defined by a special commission, not less than three years, time in which the moratorium results will be evaluated.

So they ask
1. To make up a special commission made up by the Minister of Environment, the Minister of Agriculture, to register the areas that will become perpetually intangible, and integrate them to the system of areas protected by the State.
2. To make a commission between the Ministry of Foreign Affairs, and the Ministry of Environment, to start to work internationally so this effort will gain international reconnaissance, as a global benefit, and that translates itself into financial advantages, to face the State's obligations, and that have been traditionally solved through the extraction of non-renewable resources.
3. To make up a commission between the Ministry of Environment, the Ministry of Agriculture, the Ministry of Social Security, and the Ministry of Economy to internalize the "externalities" (environmental, social, and economic) of the mining and oil activities, so that the prices of the products, primary and elaborate, will adequately match their costs, including those coming from the technological improvement and from the environmental restoration.
4. To create a special commission that will revise the current oil contracts, and mining titles particularly those granted to private companies, in protected areas and/or have been questioned by local populations and public offices.
5. To create a special commission to investigate and provide recommendations on the national budget with
a special focus on the process by which the State acquires debts and in the possibilities of taxing negative externalities and on the depletion of the "Natural capital".

6. To call on a national platform on energy, that will allow the beginning of a transition to clean energies, renewable, low impact and towards energy efficiency, with a progressive elimination of the dependence to fossil fuels.

On the other hand, the indigenous Shuar, Achuar and Zapara peoples of Ecuador express their absolute rejection to oil development in their territories. In a press conference, the Inter federation committee, by the different indigenous organizations Ficsh, Finae, Fipse, joined by the indigenous zápara organization Onzae, stated to the national public opinion their clear opposition to the settling of the U.S. oil company Burlington, in blocks 23 and 24.

These organizations' presidents stated that they do not want an environmental and social disaster in the Ecuadorian northeast will happen again in the centre and south Ecuadorian Amazon, in Pastaza and Morona Santiago provinces, where their communities are settled.

These representatives stand in their decision, already expressed in the very Burlington headquarters at Houston, their rejection to any type of dialogue or negotiation with this or any other oil company. They rejected rumours that the leaders would had been negotiating with the company.

They also called on the government to accept and enforce this decision, born in the bases and reminded the country that the Amazonian population worked to take Lucio Gutierrez to the presidency. If the government insists to explore oil in their territories, they will stand in struggle until such aim is stopped.

Source: EcoPortal.net

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2. HEALTH AND OIL

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FIVE OF EVERY THOUSAND BABIES ARE BORN WITHOUT BRAIN IN ZULIA, VENEZUELA.

A report published by researchers of Universidad de Zulia reveals that the long term exposure to mercury, lead and vanadium, typical of hydrocarbon exploration, is associated to the apparition of anencephaly in human foetuses. Scientists relate the oil pollution with the appearance and proliferation of congenital disorders.
For 80 years the population of Zulia has lived with oil industry pollution. At Lagunillas district, the concentration of accumulated vanadium in the bones of the population is 300 and 500 times higher that in Japan and the United States.

The opening of the oil sector to foreign investment, one of the most designed objectives of the Venezuelan Government, through Petroleos de Venezuela, has been described by the Energy and Mines Minister as a "program oriented towards the timely advantage, by the Republic, of the predicted rise of the global energy demand."

Its defenders in the Presidency and in the State Oil Company, have also pointed that the project is "an opportunity for the attraction of massive direct investments of foreign capital and top of the line technology for the country's main industry."

Out of the Government and the very industry, nevertheless, the viewpoint about the opening and its impact on society most sensibly diverges from the speech of its designers.

"The oil opening will mean hydrocarbon exploration, wide and along the whole country, in an unprecedented scale in the national ambit, and possibly in the world scale, given that Venezuela is in these days the most attractive nation for oil investors."

This warning is part of an environmentalist manifesto signed by the group Red Alerta Petrolera, Orinoco Oilwatch, local office of Oilwatch International. This is about an alliance that represents, at least, a dozen of non governmental environmental organizations, with the purpose of "highlighting the environmental and social impact the opening will unleash."

The first 80 years of hydrocarbon exploration in Venezuela are, according to these organizations, "our best reference to understand how the crushing oil culture has affected the country. Environmental devastation of Maracaibo Lake, unmeasured and parasite urbanization, looting of rural resources, and artificial industrialization, are some aspects of such regrettable heritage."

The main Oilwatch International alert is summarized with a poorly encouraging prediction: "This story is bound to repeat itself with the oil opening that this time approaches to the insane petrolization of sites as remote as the Amacuro Delta."

DOGMA AND SCIENCE
Will this be only about the dogmatic opposition of intransigent environmental groups, opposed to industrialization and development? The results of a scientific research report named "Mercury, Lead, and Vanadium levels in the brain, kidneys, liver and lungs of anencephaly foetuses in the East Coast of Maracaibo Lake", seem to prove the opposite.

"Mercury, lead and vanadium are toxic elements present in the coast Maracaibo lake environment, and must be seriously considered when studying anencephaly incidence in the region" reveals the report by Dr. Victor Granadillo, J.E. Tahan, L.C. Barrios, L. Marcano, et.al. published in the scientific international magazine Trace Elements and Electrolysis.

Anencephaly, also known as the disease of the "unbrained foetuses" is, according to the study, "a congenital malformation un compatible with life, characterized by the deficient development of the brain during the foetal stage."

"Since 1994 a relatively high rate of anencephaly has been found, equivalent to 5.1 cases per 1000 births in the East Coast of Lake Maracaibo, where an oil emporium has indiscriminately grown, and adverse effects have occurred on the environment and humans, due to the constant contact with the studied toxics."

When analysing the historical incidence of anencephaly in the Zulia state, the researchers "for the last 25 years have witnessed a constant rise of the disease in the Lake's East Coast. In the period between 1969 and 1982 a rate of 0.9 cases per 1000 births was reported. This rate increased to 1.5 cases per 1000 in 1982 and to 2.2 in 1993. Between January and July of 1994 1,383 births were registered in Pedro Garcia Clara Hospital, in Lagunillas district. Of these 7 births were anencephaly, which represented an incidence rate of 5.1 per 1,000." The international expected average, according to the same study, is of 1 per 1000 births.

LINKS

In order to correlate oil exploration and anencephaly, we only need to take a look at the work of researcher Emilio Rojas del Castillo, of the Genetics and Toxicology department of the University of Mexico, who determined that "Venezuelan oil has the greatest amounts of vanadium in the world, only after Mexican oil." Rojas spread this finding through the internet as part of a research of the effects of this element on DNA.

The Argentine researcher Elisa Carlotta Kleinsorge, author of works regarding the toxic effects of
vanadium, concluded that "there definitely a correlation between vanadium and the development of cardiovascular diseases and arteriosclerosis."

At Zulia, the toxicologist Heber Villalobos, of the Department of Human Ecology in the Institute for the Conservation of Lake Maracaibo, argues that "despite some research groups claim that vanadium carries out essential functions in the most developed species' organs, we have demonstrated that the excess of this element, as of any other metal, has toxic effects, from the research carried on with insects, fish, rats and swine."

Victor Granadillo, coordinator of the Analytical Instrumentation Laboratory of Universidad de Zulia, claims that "the anencephaly incidence in the East Coast of Lake Maracaibo is five times higher that the expected rate of the most industrialized countries."

"The region's geology, Granadillo continues, is characterized by the natural presence of vanadium, but because of the magnitude of the oil exploration for over 80 years, the environmental concentrations of the element have increased. A study we carried with samples from our lab of pathological anatomy, demonstrated that the concentration of accumulated vanadium in the bones of the population of Lagunillas district is 300 to 500 times higher that the population of Japan or United States, highly industrialized countries."

". DESPITE OF HEALTH"

And where does the direct relationship between vanadium, the other toxic metals generated by oil exploration, and Maracaibo anencephaly foetuses lay? Granadillo answers: "In our research we found abnormal accumulations of vanadium, mercury and lead in the brain, kidney, liver, and lungs of the anencephaly foetuses."

More concretely, the work was based in the study of 2 anencephaly foetuses born in the region and 20 foetuses negative for this condition, used as controls. "The levels of mercury and lead were significantly higher in the kidney and liver of the anencephaly foetuses, while vanadium was exclusively found in the brain."

"At Zulia we have over 80 years supporting our country with our oil, despite the health of marabinos" Granadillo dares to conclude. "Nobody here is safe from suffering diseases coming from the contamination with toxic elements, as no couple in its reproductive age is safe from a pregnancy turning into this," the researcher states while signalling disturbing pictures
of unbrained foetuses studied for the report.

"In our region we have a petrochemical complex -El Tablazo-, industrial plants all over the city that process hydrocarbons, cement, cal, coal, burners that release toxic gases into urban centres and a thermoelectric plant that is constantly flaring coke, a residue petroleum with a 12% of vanadium. What we have left is a polluted lake, a dusty city, water and food sources exposed to metals and other toxics, bacteria, viruses and molecular compounds responsible for the diseases.

TOXIC ASH

The toxicologist Heber Villalobos, Medical Science doctor from the Universidad del Zulia, heads the Human Ecology Unit of the institute for the conservation of lake Maracaibo, an impressing scientist installation, only a few meters from the three gigantic concrete chimneys of the thermoelectric plant Ramón Laguna, of Enelven, that provides Maracaibo with electricity through the massive combustion of coke, an oil residue with high quantities of vanadium and other heavy metals.

"In the Agronomy Faculty of the Universidad del Zulia -Villalobos states- we proved that vanadium has genotoxic effects (as mutations and inherited diseases) in insects, mice, rats, fish and swine. In all the studied cases, vanadium caused very important malformations in the neural tube of the offspring.

"Unfortunately -continues Villalobos- our oil has too much vanadium. The refineries in Paraquaná peninsula generate ash with high amounts of one of the most toxic compounds, vanadium pentoxide. When we visited the facility with a commission from Universidad del Zulia, we found deposits that had at least 60.000 tons of this ash. At this time they are probably over the million tons and that is a situation yet unresolved."

The danger is that these deposits "are very few meters away from the beach banks. Wind and rain water drag these elements into the environment."

Severe congenital malformations, as anencephaly, "triple, in Lagunillas district -the region's major oil producer-, the incidence rate of the rest of Venezuela." In some countries as Japan, highly industrialized, very low rates of anencephaly have been observed, one case per 2000 births. But in Northern Ireland, at Belfast, the incidence is extremely high, one case per 125 births. It is a region very close to the oils of the Northern Sea.

Can these research results, then, be interpreted as a
definite proof of the relationship between the contamination with heavy metals and such severe diseases as anencephaly? Villalobos prefers caution. "It is very difficult to incriminate a compound with a neural tube malformation, that can have several origins. But there are three very concerning facts: the first is the very high incidence of anencephaly in the Lagunillas District of Zulia state; the second is that vanadium compounds produce genotoxic effects in lab animals, very similar to what is observed in humans, and the third fact is that Venezuelan oil is one with the highest quantities of vanadium in the world. We have a triangle of facts, by we must investigate further, before firmly settling a cause-effect relationship."

Health: the great absence after decades of environmental damages and high levels of pollution. The current oil industry made up a plan to pay part of the debt known as "environmental passives" and diminish the negative effects for the future. This investment plan in environment raises to 312 billion Bolivares for the period 1998 - 2006, but it doesn't include in its indicators the health issue for the population in oil exploration areas.

The issues referred by Petróleos de Venezuela to distribute the environmental investments are effluent liquids (26%), atmosphere emissions (36%), industrial waste material (24%), contingency plans (4%), and the figure "other investments" with a 10%, where the Health variable is not included.

But the absence of the "health" line of PDVSA's environment investment plan is not the industry's exclusive responsibility. This is about a matter of environmental policy that comes from the Ministry of Environment and Renewable Natural Resources, which does not demand in the so called Environmental Assessment - mandatory requisite for every oil operation- the inclusion of the Health issue.

Heber Villalobos, a specialized toxicologist from the Instituto para la Conservación del Lago, when referring to the need that these reports include the health issue, pointed out that the partial code of the Organic Environment Law on Environmental Impact Assessments "does not include whatsoever anything related to the quality of life and health of the human being, as if the objective were not to preserve human health."

Carlos Corrie, from Petróleos de Venezuela, argued that the industry fully complies with policies demanded by the Ministry of Environment, given that this is the ruling organism. "PDVSA is conscious that the word
environmental extends to what is socio-environmental; we previously analyse the technology that is to be used and its effects on the communities in the place, as a raise in population, the use of water, the need of hospitals or schools,” he said.

The scientific investigation on congenital malformations caused by heavy metals in petroleum carried out by Universidad del Zulia was at first attempted to be jointly conduced with PdVsa, Victor Granadillo added, a scientist of this institution.

"Petróleos de Venezuela (PDVsa) was in favour of financing this study, which had a significant cost. But its condition was that the results had to be delivered to the industry and as a strictly classified information. We did not agree on that and therefore we did not reach any agreement," he said.

Adriana Cortés / Telmo Almada
Unidad de Investigación - Maracaibo
Source: Diario el Nacional - Monday, May 18, 1998

WEST PAPUA: MORE DOUBTS EMERGE OVER BP'S TANGGUH PROJECT

BP has announced the findings of two studies it commissioned to examine the potential impacts of the Tangguh gas project in Bintuni Bay, West Papua, on human rights, local communities and the environment. The questions raised by the reports and the way in which the information has been managed by BP throw further doubt on the company's claim that the Tangguh project will be a model of corporate social responsibility.

The giant Tangguh gas extraction and liquefied natural gas processing (LNG) project, due to start construction this year, is highly controversial. The project has caused alarm because it is being developed in a disputed territory where human rights abuses by the military and police forces are carried out with impunity. The project is bringing huge changes to local communities and their way of life, which is largely dependent on the Bay's natural resources. The development is located in a fragile, forested environment, near the largest remaining mangrove stands in Southeast Asia.

HUMAN RIGHTS IMPACT REPORT

The first study, a Human Rights Impact Assessment
(HRIA), compiled by former US State Department official Bennett Freeman and US lawyer Gare Smith, was presented to BP in April 2002. This is the first time that BP has conducted a study focused solely on human rights. But the report was not published in full, despite clear public interest in its findings. BP only put out a 7-page summary of recommendations. Even then, it took the company ten months to do this. The summary, plus BP’s 21-page response, was only made available in February this year, despite repeated requests from NGOs.

The HRIA summary recommendations cover many of the concerns that Papuan and international NGOs have raised. They include the recommendations that BP should:
- Pay a “fair” price for land based on the value of comparable land owned by subsistence cultures elsewhere in Papua;
- Help local and provincial governments develop guidelines to demarcate the boundaries of traditional lands;
- Pay restitution for trees felled and for loss of fishing grounds;
- Encourage the central government to guarantee revenues as outlined under Special Autonomy;
- Establish laws regarding the sale and use of communal land and squatting on indigenous lands, to limit immigration;
- Establish training courses to challenge existing assumptions regarding racial superiority/inferiority;
- Give Papuans preference in securing senior positions.

On the issue of human rights and security, the authors recommend that the company should:
- Urge the highest levels of the Indonesian government to limit TNI (Indonesian armed forces) and Brimob (special forces police) deployments and, if necessary, seek support for this position from the US and UK governments;
- Develop a written policy regarding the provision of equipment to state security forces;
- Use the ICRC (International Committee of the Red Cross) for security force training;
- Take into account past human rights records of military personnel deployed in the region, raise specific cases at the highest levels, seek investigations and accountability for abuses committed in the project area and unimpeded access for NGOs investigating alleged abuses;
- Provide a local security and human rights "hotline" for emergency use.

BP’s lengthy responses to these issues are varied, but they largely consist of confirmation that the concerns are already being taken care of as recommended by the
NEW CONCERNS

Several concerns have emerged recently which could make it more difficult for BP to fulfil its commitments at Tangguh. They include:

- The Bali bomb and its aftermath, including recent anti-terrorist legislation. This could lead to the criminalisation and branding as terrorists of local people who protest against projects in their areas (see also DTE 56:14)
- The trials of the seven Kopassus soldiers accused of involvement in the murder of pro-independence leader, Theys Eluay, in which maximum sentences of three and a half years were handed down by the military court. The TIAP report refers to the outcome of these trials as “a first test” of the viability of Special Autonomy (p.10) and Papua’s ‘new relationship’ with Indonesia.
- Increase in military powers: a new military bill will, if passed, increase the military powers to intervene in domestic security affairs. Critics say the bill paves the way for a military take-over of the country. Most contentious is a provision which gives the TNI commander powers to mobilise troops in an emergency, without a Presidential decision.
- The division of Papua into three provinces, which will stall Special Autonomy and raises the potential for more tension and conflict in West Papua (see also main text). Bintuni, where Tangguh is located, has already been declared a new Kabupaten (district) under separate administrative changes agreed last year. This also entails boosting levels of military and police along with the setting up of a new district government apparatus.


4. CLIMATE CHANGE: India

INDIA: ANDHRA PRADESH HEAT WAVE KILLS 513, NO RELIEF YET

A heat wave gripping Andhra Pradesh has killed 513 people in the past two weeks with temperatures soaring as high as 47 Celsius, an aid official said on Thursday.
Most of those who died were poor, homeless people such as rickshaw pullers, street hawkers and construction workers, and there was no immediate sign of relief from the hot weather.

"As many as 833 people were affected by sunstroke, of whom 513 succumbed during the fortnight-long dry spell," State Relief Commissioner D.C. Rosaiah told Reuters.

Relief officials said the death toll was likely to rise with no sign of pre-monsoon showers and the weather office forecasting two more days of scorching heat.

Government officials have advised people to stay indoors during the day. More than 1,000 people were killed in Andhra Pradesh in a heat wave last May.

Sources: Thursday May 29, 12:37 PM. HYDERABAD. Reuters

U.S. LAWYERS TAKE US$1 BILLION LAWSUIT AGAINST CHEVRONTEXACO TO ECUADOR

QUITO, Ecuador ~ A decade after unsuccessfully filing in U.S. courts, American lawyers representing poor Ecuadorians who say their rainforest homeland was destroyed by a US oil company took their claim to Ecuador Tuesday.

"We will have for the first time in history a company like ChevronTexaco subjected to the laws of a small community," lawyer Cristobal Bonifaz said at a news conference in the capital.

The lawyers said they want California-based ChevronTexaco to clean up pollution that they allege has poisoned drinking water and rivers and led to higher cancer rates. The cleanup and medical monitoring costs for the 30,000 Ecuadorians the lawyers represent could exceed US$1 billion, Bonifaz said.

ChevronTexaco says the oil company followed Ecuadorian environmental laws and cleaned up before leaving.

Bonifaz, an Ecuadorian-born environmental lawyer who practices in Amherst, Mass., said the lawsuit would be
filed Wednesday in a small courthouse in the jungle town of Lago Agrio, 115 miles (185 kilometres) northeast of Quito.

The lawsuit alleges that a Texaco subsidiary that operated near Lago Agrio from the early 1970s until the early 1990s took advantage of lax Ecuadorian environmental standards to cut costs by dumping wastewater brought to the surface by drilling into open pits. By the time the oil company began operations in the Ecuadorian jungle, many U.S. states were already requiring drillers to pump contaminated water back underground, Bonifaz said.

"They were making decisions they knew would have a devastating effect on the environment, because they wouldn't have drilled for oil that way in the United States or any other part of the world," said Joseph Kohn, a Philadelphia-based class action lawyer working on the case.

Bonifaz said the oil company left behind some 350 ponds full of water contaminated with oil and cancer-causing chemicals scattered across a 31-mile (50-kilometre) by-62-mile (100-kilometre) area.

Maripat Sexton, a ChevronTexaco spokeswoman in Houston, Texas, said the oil company paid US$40 million in a cleanup agreement that the Ecuadorian government signed off on in 1998.

"The plaintiffs have yet to present any credible, substantiated, independent evidence supporting a connection between Texaco operations — which ended over a decade ago — and an alleged negative impact," Sexton said.

The case was first filed in US courts in 1993. After winding through the court system, the 2nd U.S. Circuit Court of Appeals in New York sided with oil company lawyers, ruling in August that the case should be heard in Ecuador, where the damage allegedly occurred.

The American lawyers originally wanted the case tried in U.S. courts because they said the Ecuadorian government's dependence on oil revenues would make it unlikely for courts to deliver justice. Oil exports account for about 40 percent of Ecuador's revenue.

Bonifaz said his team prepared for a possible move from U.S. courts. The lawyers worked with Ecuadorian legislators to draft a law similar to the U.S. Superfund law, which was enacted in 1980 and requires polluters in the United States to pay for cleanups even if a site was sold or is no longer operating. Ecuador passed its "Superfund" law in 1999, Bonifaz said. He
said he expected a ruling within six to seven months if the Ecuadorian court accepted the case. Texaco merged with Chevron in 2001.

Gonzalo Solano, Associated Press. 07 May 2003

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5.2. COLOMBIA
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COLOMBIA: OCCIDENTAL SUED FOR CIVILIAN MASSACRE

Occidental Petroleum Sued in U.S. Courts For Role in Civilian Massacre in Colombia

Plaintiff to Address CEO and Shareholders at Annual Meeting

(Los Angeles, CA)- International rights attorneys filed suit today under the Alien Tort Claims Act against Occidental Petroleum and its security contractor, Airscan, Inc., for their role in the murder of innocent civilians in the hamlet of Santo Domingo, Colombia on December 13, 1998.

The filing coincides with OXY's annual stockholders' meeting on Friday, where a survivor of the massacre and critics will question the CEO, Ray Irani and the board of directors on the company's financially negligent and morally questionable practices worldwide including its role in the Colombian massacre. The suit that was brought forth by the International Labour Rights Fund and the Centre for Human Rights at North-western University Law School was filed in the U.S. District Court for the Central District of California.

The suit charges that both OXY and Airscan helped conduct the attack, providing key strategic information, as well as ground and air support to the Colombian military in the bombing raid on the town. Airscan's plane -which provides aerial surveillance for OXY'S Caño Limón oil pipeline- accompanied the Colombian air force during the bombing, using its infrared and video equipment to pinpoint targets on the ground. While allegedly targeting suspected rebels, no rebels were killed.

Occidental Petroleum's Colombian operations are a magnet for violence and have been under fire from human rights and environmental groups for seven years. The company gained notoriety for its relentless attempts to drill for oil on sacred U'wa indigenous lands, but abandoned a direct role in that drilling effort after intense international criticism and local resistance.
Occidental has been a chief architect of U.S. foreign policy toward Colombia, which continues to reward the company-despite its track record—with increasing U.S. military aid to protect its oil operations. Lawmakers granted some $131 million in U.S. military aid in 2003, and $110 million is proposed in 2004 for the protection of OXY’s Caño Limón pipeline. This unprecedented corporate subsidy of $3.58 a barrel is a handsome payoff for OXY’s aggressive lobbying efforts and political contributions.

"The evidence in this lawsuit validates what human rights and environmental groups have been saying all along—that OXY is a morally bankrupt company that directly perpetrates human rights abuses. It's an outrage that U.S. taxpayers are footing the bill for such a lawless corporation," said Kevin Koenig of Amazon Watch.

Sources: Kevin Koenig Amazon Watch kevin@amazonwatch.org

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5.3. OECD countries  
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NGOS LAUNCH OECD COMPLAINT AGAINST BP’S BTC PIPELINE PROJECT

Groups from seven countries have submitted complaints to the British, French, German, Italian, and U.S. governments charging that BP and its consortium partners in the proposed Baku-Tbilisi-Ceyhan (BTC) oil pipeline are breaching the OECD s Guidelines for Multinational Enterprises.

The proposed oil pipeline would span 1,056 miles (1,760 kilometres) from the Azerbaijan capital of Baku, through Tbilisi Georgia, ending in the Mediterranean city of Ceyhan, Turkey. A gas pipeline also is planned to follow the same route. BP is the lead sponsor; there are nine other participants in the consortium. The BTC consortium is seeking the political and financial support of their countries export credit agencies, the European Bank for Reconstruction and Development and the International Finance Corporation of the World Bank Group.

The OECD Guidelines cannot be legally enforced. But they are increasingly regarded as a key yardstick of corporate social responsibility.

Cornerhouse  
FERN  
Friends of the Earth England Wales & Northern Ireland  
Friends of the Earth France
6. REVIEW

ECUADOR SHALL NOT EVEN BE AN AMAZON COUNTRY

This publication is a survey conducted on the impacts of oil activity in the Ecuadorian Amazon, from a series of door to door visits to 237 families, which means 1520 people from indigenous communities living in the areas of influence of oil dwells and separation stations.

The study analyses these citizens' health status and finds that the majority of the population has suffered a disease at some time because of pollution. The study has registered 89 cases of deaths by cancer. The rate of cancer in this area is one of the highest in the country. This is due to the fact that these people drink, cook, wash their clothes with polluted water, not because of lack of knowledge of the impacts this has on their health, but because they lack any other option. The population living close to the separation station facilities must breathe polluted air by the constant flaring of associated gas.

A study on the crops is also carried out, on cattle, housing, and other life aspects of the Amazonian population.

The policies of every government have been to support and promote the extraction of hydrocarbons in the Amazon, regardless of its effects. Besides, a new bidding round is being set up. Therefore the book concludes that Ecuador is not and won't be an Amazon country.

This is an Accion Ecologica publication, and the author is Adolfo Maldonado, medical doctor.

Information: cmonitor@accionecologica.org

7. PIPELINES

INDIA INVITED TO PARTICIPATE IN TURKMENISTAN-AFGHANISTAN-Pakistan PIPELINE
By OGJ editors

HOUSTON, Apr. 16 -- Oil and gas ministers from Pakistan, Turkmenistan, and Afghanistan formally invited India on Apr. 9 to participate in their proposed Turkmenistan-Afghanistan-Pakistan natural gas pipeline project (OGJ Online, Feb. 27, 2003) reported OPEC News Agency. Participants said New Delhi's participation in the $2.5-3.2 billion project would make it more viable, providing significant additional gas markets.

The pipeline, estimated in various reports as 1,300-1,600 km long, would carry 20-30 billion cu m/year of natural gas and likely would be constructed to Pakistan's Sui field, from which existing infrastructure could be tapped to supply major local markets (OGJ, Oct. 7, 2002, p. 21).

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NIGERIA: RENEWAL OF SHELL OIL PIPELINE LICENSES

Right now in Nigeria, shell has begun the process of application to the department of petroleum resources for the renewal of its oil pipeline licenses. The licenses are valid for a period of twenty years.

There are few choices available for those communities that wish to oppose the renewal of the licenses. The process of objection is too cumbersome and expensive for communities (which are very poor) to successfully utilise in their fight for justice. in fact more often than not the government officials whose duty it is to enable communities register and enforce their objection, collude with shell to ensure that the objections are not recorded, much less heard.

The NGO Environmental rights action has been struggling to alert communities, to enable them register their objections, but they are hampered by lack, or at least shortage of funds.

Is there no way pressure can be brought to bear on Shell in Europe and America, in order to compel it to adopt better practices instead of going back to its normal operating pattern which is so detrimental to the communities' interests?

web: www.eranigeria.org
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PIPELINE

By an OGJ correspondent
Nicosia, Apr. 16 -- With promises of funding, Japan has stepped up efforts to secure construction of a projected 4,000 km crude oil pipeline that would carry supplies from Siberian oil fields to Japan via an export terminal on Russia's Pacific coast.

Japan's National Oil Corp. Pres. Yoshiro Kamata said Wednesday that Japan is prepared to invest $1 billion in the economy of Russia's Far East if the Angarsk-Nakhodka oil pipeline is built, according to press reports.

Russia's Itar-Tass quoted Kamata as saying Japan would invest the money into the construction of an oil sea terminal and a refinery over 4 years.

Kamata's remarks reaffirmed earlier statements by Japan's Ambassador to Russia, Issei Nomura, who told a Moscow news conference Monday "Russian-Japanese energy ties have tremendous potential, especially regarding the construction of the Angarsk-Nakhodka oil pipeline."

"We are interested in upstream support for the project as well as participating in the construction of the pipeline, and of course in buying oil. However first, we must wait for the (Russian) government decision," Nomura said.

Saying Japan had presented the Russian government with proposals for the pipeline, he declined to outline details, adding, "I have no right to publicize the nature of our proposals."

Kamata said Tokyo was ready to consider extending major long-term credits at low interest for the construction of the line.

At a meeting with Khabarovsk Region Gov. Viktor Ishayev, Kamata stressed that the Japanese ministry for economic development was interested in the project, which would considerably reduce Japan's dependence on Middle Eastern oil exports.

Japan's Ministry of Economy, Trade, and Industry, underlining the need to diversify suppliers of oil, last month said the country's reliance on Middle Eastern crude stood at 79.9% in February, down 6 percentage points from a year earlier.

In March, the Russian government considered competing plans to build two oil export pipelines—one to Japan and another to China—but officials postponed any final decision pending the outcome of feasibility studies,
due by May 1.

Officials were asked to choose between a route preferable to Japan, carrying oil from Angarsk, the easternmost point of the Russian oil pipeline complex near Lake Baikal, to Nakhodka on the shores of the Sea of Japan, and a shorter, less expensive project linking Angarsk with refineries near China's top-producing oil field complex at Daqing.

State-owned China National Petroleum Corp. already earmarked $700 million to invest in the Angarsk-Daqing project, while Russian companies said they would invest another $1 billion in building the 2,400 km pipeline


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8 FROM THE PRESS
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PLATFORM, 65 YEAR PLAN.
STATOIL WILL INVEST OVER $3 ZILLION IN DELTA

Venpres

This is the country's greatest interest abroad. The Norwegian company was granted a licence to exploration and drilling of block 4. "We will transfer our oil industry to Venezuela" said Dag Mork-Ulnes.

Caracas, Venezuela - the state Norwegian company Statoil, in charge of exploration and exploitation of the Deltana Platform, in its' block 4, will invest from 3 to 5 zillion dollars in the project's development, according to the country's Ambassador, Dag Mork-Ulnes, told Venpres. "Some between 3 and 5 zillion dollars are estimated, as everything in the oil sector, it is a long-term investment.

We are here to produce and export for the next 35 years," said the diplomatic officer. We must point out that in the Deltana Platform the most prospective non-associated gas concentrations of the whole country exist. These have been estimated close to 40 trillion cubic feet, which allows Venezuela to guarantee for the next 20 years, one of the most important suppliers of this hydrocarbon on the western hemisphere. Regarding this bidding, the Ambassador Dag Mork-Ulnes said that it was his country's most important investment abroad.

"It is very important for us because we transfer our oil industry to Venezuela." He pointed out that in order to make this exploration and exploitation possible they have taken into account the environmental issue, and are currently carrying on the studies for
the preservation and conservation between the scheduled works.

"The issue of the environment concerns us very much for it being a high rank of the Norwegian agenda. Two weeks ago we visited the area with Statoil-Norway experts to study the ecosystem's vulnerability as well as the cultural part of the area, and we think it is possible to develop the gas resources in the area without disturbing the environment."

The program's development is now in its initial stage with the technicians working on the preparation of the second phase which is bound to start at the end of the year, and relates to the exploration. "This phase could last up to three years before starting with the gas production (.) and we expect to generate a lot of jobs," said the Norwegian mission representative in Venezuela.

BIDDING

Statoil was granted the exploration and development licence of one of its five blocks last February, following the execution of a process based on what is established by the Organic Law on Gas Hydrocarbons, referring to a qualification of a high prestige company and its technical and financial capacity, and of proved experience in gas off shore.

May 21 2002

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9. OIL IN THE TROPICS
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9.1. NIGERIA

VIOLENCE IN WARRI, NIGER DELTA

On April 19th, almost 300 oil workers were retained as hostages by striking Nigerian employees, in the oil fields in the Nigerian coast. Almost 40 British workers and 20 Americans were among the retained people. Only two, later started to be released.

Only a week after this occurred the facts were released because the American oil company, Transoceanic was hoping to keep this secret.

On April 28th, the militants also threatened to destroy the Sea Eagle, a huge boat owned by Shell that picks up over 1.700 daily oil barrels from several off shore
dwells. The Sea Eagle, which has a capacity to store 1.4 Million barrels is stationed at 15 Km of the Nigerian coast. This ship started to work in December of 2002, as is part of a new generation of ships and floating terminals known as FPAD, due to its versatility to Float, Produce, Store and Download. The Sea Eagle can also process 100 million cubic feet of natural gas per day.

This strike stimulated a rise in violence, which two months ago started at the west of the Niger Delta.

In the Warri conflicts eight military members died, five oil workers and 12 other people have been killed. The Warri army projectiles in the Ogbogbene community wounded tens.

Nigeria is the major African oil producer and the 6th oil exporter in the world, with an OPEC account of almost 2'000.000 daily oil barrels of premium quality crude. The greatest part of this crude is transported to the United States, being Nigeria its 5th oil provider.

Almost 40% of the oil production was stopped.

To face the crisis, the United States decided to support one of its main crude providers, and so the Pentagon donated 40m.long patrol boats, which were immediately sent to the Delta to look after the interests of the oil industry. As in other occasions, the Nigerian army provided military support to Shell, distributing hundreds of men in the Delta. In the most difficult point of the conflict, Shell and ChevronTexaco evacuated hundreds of their workers.

After several days, a tense calm returned to Delta, restarting Shell and Chevron Texaco production. A few days ago, the companies declared returning to the two thirds of their extraction capacity.

Despite the huge oil and gas wealth of the Niger Delta, this region is one of the poorest in the country. Schools have neither teacher, nor books, hospitals and health centres are not equipped to face malaria and other tropical disease outbreaks, and many communities do not have electric supply. Unemployment reaches the 80% and the rate of child death is extremely high.

Before this the Ijaw people have raised because of their marginal situation, and the government's oppression, and oil companies. Shell claims that this is not about an Ijaw uprising, but a problem with some Ijaw militants. Oil companies claim having created about 120 jobs in the nearby towns for surveillance and security -but not how many job sources they have
destroyed, and having delivered 150 boats, 3 buses, 21 motorcycles, and around 160,000 dollars for micro-enterprise credits, as if that would somehow compensate for the cultural and economic loss suffered by this people, because they have ruined their lands and polluted their water sources, therefore it is impossible for them to fish or saw.

On their side, community members claim that Shell and ChevronTexaco companies, jointly with the Federal Government have fired the division in the communities, specially the Itsekiri people. They also complain that the Government has supported an internal colonialism, affecting the Ijaw majority, as well as the Itsekiri, people also being exploited.

In last july, Gbaramatu, Esaba, Ogbe-Ijoh and Egbema women, along with their fellow Itsekiri, Urhobo, Ilaje and Isoko members staged one of the most important protests in the history of the Niger Delta. Chevron, Shell and Elf were forced to close their facilities.

This time the Warri Ijaw demands are:
1. Unrestricted access for Ijaw to their lands and resources.
2. Local democracy, good governance and self-determination for the Warri Ijaws and other peoples affected similarly.
3. Immediate and unconditional demilitarisation of the area.
4. Environmental protection, Environmental remediation, and compensation to Ijaws for the damages.
5. The conformation of a Warri Commission of Reconciliation and Truth to solve the conflict among the Itsekiri, Urhobo and Ijaws.
6. The cease of oil production while the political crisis reaches a solution and the Warri resources.
7. United Nations delegation intervention, or from the African Union.

Sources
Earth Rights Action: eraction@infoweb.abs.net
Guardian Unlimited: http://www.guardian.co.uk
OGELE Club: felixtuodolo@hotmail.com
Oilwatch Africa: oilwatch@infoweb.abs.net
OilResistance-Africa: mfleshman@aol.com

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9.2. NICARAGUA
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OIL CONCESSIONS IN NICARAGUA LACK NATIONAL CONSENSUS
With the Government hosted bidding official opening for the hydrocarbon exploration of a Nicaraguan territory, the National Institute of Energy was determined to lead the Concession process. These are six year exploration concessions, and involve a 23.976 Km² area, a little over 111 thousand 188 km predicted in the Caribbean and 37 thousand 297 in the Pacific. This way Nicaragua becomes the second country of Central America, after Guatemala adventuring itself into this type of concessions.

In the political context, such concessions have obtained international importance, given that the trans-border conflicts with Honduras and Colombia have worsened. With Colombia because of San Andres y Providencia islands, and Roncadores and Quita Sueños Cays; today owned by Colombians. What has lead to deepen political conflicts between the two nations, with present claims as part of their territorial sea right; the media has highlighted this.

The Humboldt Centre, member of the Mesoamerica OilWatch Network (oil resistance network) in recent meetings with the ethnic communities and indigenous peoples (may 13 to 16), local-regional governments, and regional councils for both autonomous regions of the Nicaraguan Caribbean Coast, continental Pacific Ocean, the Continental Platform part of the Rivas Strait, where the concessions are being granted. Disagreeing with the bilateral manner in which negotiations have been developed between the government and oil companies. Denying the consultation and participation instances, mandatory by the autonomy rights belong to the Caribbean Coast and the Nicaraguan Pacific Coast Municipalities.

This meeting arrived to the conclusion of maintaining the resolution emitted by the Autonomous Regional Council of the North Atlantic, that rejects the bidding process for the hydrocarbon exploration and development of the Caribbean Coast, given that these lack the approval from the communities, regional councils and the general civil society of the Caribbean coast, and are also ignoring the Autonomy Law, the Central Government again ignoring the communities and indigenous peoples, when a Indigenous Land Demarcation Law has just been approved, as well as development plans that oppose this type of projects.

The government will be demanded to respect what has been determined in the Political Constitution regarding the Indigenous Peoples Rights, and to declare a moratorium to oil exploration and development in the whole country, as they have done in their territories. "We do not want any more Colonization and our natural resources given by God are for subsistence
not to be harmed," as has been declared the Council of Elders.

We thus call on reflection, to our government to not act in a rush manner when taking this type of decision, that do not guarantee the conservation of our social, environmental and cultural wealth, therefore we demand that the Government emits the resolution of a Moratorium against oil concession sin Nicaragua, this way the development of a Nation by jeopardizing the natural resources and the rights of every Nicaraguan would be avoided. Therefore let's say Yes to the seek of a real Sustainable Development, NO TO OIL.

FACTS
Nicaragua is in the centre of the Central America straight; it borders at the north with Honduras, the South with Costa Rica, to the East with the Caribbean Sea, and to the West with the Pacific Ocean. The total continental territorial surface is 130.668 Km2, including its lakes. The population is estimated in 5 million people. Among the main cities we find Managua, the capital of the Republic, Leon, Granada, Masaya, Rivas, Chinandega, Matagalpa, Jinotega, Bluefields, Puerto Cabezas, among others.

EXPLORATION
In Nicaragua there is not oil production yet. The oil exploration started in 1930 and until 1979 different international oil companies carried out exploration and drilling programs in the country's continental platforms which main exploration areas are the Miskito Basin and Perlas Basin offshore in the Atlantic, and the Sandino Basin offshore in the Pacific, with a total approximate area of 120.000Km2. These program results show that commercial deposits could exist, given that both basins have widths over the 10.000 meters. Nevertheless, before any confirmation of the existence of a commercial deposit, a more detailed prospection is required in strategic geologic spots.

CARIBBEAN MARGIN
The Caribbean Margin of Nicaragua includes the Miskito Basin, of the "pull apart" type, probably formed by an extension of the superior part of the cortical graben. The occurred exploratory activities resulted in the acquisition of 25.000Km of 2D seismic lines, and the drilling of 24 exploratory offshore dwells, and 2 on shore dwells; oil exploration activities resumed in 1978.

The available seismic lines and the information of the dwell registers are satisfactory and allow the design of the margin structural and stratigraphic characteristics, and confirm its hydrocarbon potential.
A new seismic marine investigation conducted in May, 1999 by the Norwegian company Fugro-Geoteam allowed the identification of new structural and stratigraphic elements that weren't previously identified and consequently, the more precise localization of future drillings (Sub Basin of Wonta - Verolania - East Nica Ridge and San Juan).

PACIFIC COAST

The Nicaraguan Pacific Coast includes the so-called Sandino Basin, a "fore arc" type basin, located in front of the Caribbean plaque of Nicaragua. This basin includes an area over 30,000 km² that includes the Pacific Nicaraguan platform, and extends inland until the Nicaraguan depression, which becomes the northeast border and east of the basin. Several oil companies operated in this region, mainly in the platform. Approximately 10,931 km of marine seismic lines were lifted and 6 exploratory dwells were drilled, 4 offshore, and 2 inshore. The oil exploration campaign took place in the 1970 decade.

CARIBBEAN MARGIN

* 7,713 km of 2D reprocessed marine seismic lines.
* Registers of 4 offshore drilled exploratory dwells.
* Evaluation Report of the Sandino Basin Potential (offshore pacific) carried out by the Norwegian firm GECO-PRAKLA.
* 1,360 km of 2D marine seismic lines conducted in 1990.

BIDDING COMPANIES

The bidding companies are
* MKJ Exploracion
* Infinity
* Oklanicsa
* Helen Greathouse

Source: Brenda Rocha.
Asesora de Campaña Red Oilwatch Mesoamérica. Centro Humboldt
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9.3. INDONESIA

IRIAN JAYA: TANGGUH UPDATE:

RESETTLEMENT: construction of the resettlement village for the families moved from the project site, started on February 5th. The houses being constructed for the resettled villagers will use 30 cubic metres of timber
each. BP has said the wood will come from legally licensed producers (but there is disagreement within Indonesia as to what constitutes "legal" see DTE 56:6 and DTE 53/54:10).

AMDAL (Environmental Impact Assessment): the final AMDAL, approved by central government in October 2002, is now being "socialised" to local NGOs and communities. BP is asking communities to get involved in implementing the AMDAL and monitoring the project's progress. WALHI and other organisations state that the AMDAL is invalid because there had been no legal authority to approve it, since the environmental agency Bapedal was merged with the environment minister's office. However, BP argues that the environment minister who approved the AMDAL did indeed have the legal authority to do so.

LAND RIGHTS: The land required for the project was in an area classified by the Indonesian government as 'production forest'. The land is also claimed by local communities. According to BP, the process ran as follows: the land was relinquished to the government by local communities (this was prior to BP's involvement in the project, when the US company ARCO was in charge), then the government issued HGU (construction) rights to BP which will last for 30-50 years. The land will then revert to the government. BP told NGOs in West Papua that the Indonesian government has promised to return the land to the original adat owners. However, it is not clear whether this commitment is on paper and how legally binding it is.

CONSTRUCTION OF FACILITIES: in April BP announced that a consortium of Kellogg, Brown and Root (US); JGC Corporation (Japan) and PT Pertafenikki Engineering (Indonesian-Japanese joint venture) had won the bid for engineering, procurement and construction for the Tangguh LNG complex, worth around $1.4 billion. Work to upgrade an old airstrip started in November 2002. This will be used until another airstrip is constructed at the project site.

WATER AND WASTE: a desalination plant will be constructed to provide drinking water at the project site, but not for local communities. Hazardous waste will be stored and then taken to a suitable disposal facility (at present there is only one of these in Bogor, West Java). Other waste will be recycled, incinerated, composted or put in a landfill which will be built at the site.

GAS LEAKS: BP says that every effort is being made to ensure that leaks from the 25 km of undersea pipelines do not happen. But how far can this be trusted when leaks occurred very recently at its Java operations.
(see DTE 56:11)? Globally, BP’s safety record has also come under scrutiny. Hypothetical modelling of a leak in the AMDAL shows that the environmental impacts would be "not severe", but that economic and political impacts would be "significant".

IMPACT ON FORESTS: As the LNG site is on state 'production forest' land, BP is required to reforest an area twice as large as the area it is taking. BP says it is currently in discussion with the forestry department on this.

SHAREHOLDINGS AND FINANCING: In February BP sold 12.5% of its shares in Tangguh to China's CNOOC for $275 million, leaving BP with 37.2% of the project. In the Annex to the TIAP report BP notes that $2.250 million of financing is required for the first 2 gas trains.

LNG SALES: Pertamina said in March it was in talks with Japan's Tohoku Electric Power Co Inc with prospects for the company to buy 2 million tonnes. Tangguh will also take part in a tender to supply 1.6 million tonnes of LNG to Taiwan. Tangguh already has a contract to supply 2.6 million tonnes per year to a planned terminal in Fujian province, China, starting 2007. In 2001, Pertamina signed a memorandum of understanding with GNPower to supply 1.3 million tonnes of LNG to the Philippines.

REVENUES FOR PAPUA: estimates range from US$100m/year by 2016 to US$225m/year at peak depending on how many LNG 'trains' are constructed.


10. BEYOND THE TROPICS

RUSSIA: BP CREATES MULTI-BILLION DOLLAR OIL & GAS PARTNERSHIP IN RUSSIA

LONDON, England, February 19, 2003 (ENS) - The BP energy company and the Alfa Group and Access-Renova (AAR) have agreed in principle to combine their interests in Russia to create the country's third biggest oil and gas business, in which the two parties will each have a 50 percent stake.

The transaction was effective from January 1, 2003, and is scheduled for completion in the summer. The deal is subject to regulatory and other approvals, including
the consent of the European Union and the Russian Ministry of Anti-Monopoly Activities.

The new company will incorporate TNK and Sidanco, which, between them, produce some 1.2 million barrels of oil a day. It will also own exploration interests in Siberia and Sakhalin Island, interests in five refineries and a retail network of more than 2,100 sites in Russia and the Ukraine.

For its 50 percent stake in the new company, BP will pay AAR $3 billion in cash on completion of the deal and three subsequent annual trenches of $1.25 billion in BP shares, valued at market prices prior to each annual payment, the company said in a statement February 11.

BP Chief Executive Lord Browne described the transaction as "a major strategic step into a country with massive oil and gas reserves and immense potential for future growth."

BP entered Russia five years ago when the company bought 10 percent of Sidanco. "We had a tough time initially," Lord Brown said, "but after the present management and ownership structure was established early in 2001, we have gradually built an important, mutually beneficial relationship with the owners of AAR and learned a great deal about doing business in Russia."

Rigorous and extensive physical inspections of the properties involved, and a system of governance that safeguards the interests of all parties have been accomplished, BP says.

"These prudent measures, combined with Russia's greatly improved economic stability, improved legal system and increasing commitment to international rules of trade and business, have convinced BP that now is the time to deepen our partnership with AAR," Lord Browne said.

The new combined company will have production of some 1.2 million barrels of oil a day. BP estimates that the oil and gas resources of the new concern are at least 5.2 billion barrels.


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11. POETRY
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RAGS
There is only one misery
That nails itself to the wall
And wishes to climb
And sometimes climbs
A vast misery looking at us
And joins its rancour
And invades us

That's why from today and from inside
And despite my bread and my luck
i feel miserable

As if I never smiled
Or seen smile
As if when I dream
My dreams
Would find no place
Under my eyelids

The fault is not hygienic
The precarious uneasiness
The licked threshold
Under my eyelids

It's much more

Now my misery
Includes crashing
And use all the courage for fear
And fall on my knees
Without praise
And feeling an alien
And damned
To not find the breach
To not find the breach

Mario Benedetti
Uruguayan poet