When everything goes to south

Manana Kochladze

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Southern Energy Corridor

- Baku-Novorossiysk oil pipeline
- Baku-Supsa oil pipeline
- Baku-Tbilisi-Ceyhan oil pipeline
- Baku-Tbilisi-Erzurum gas pipeline
- Trans-Caspian gas pipeline (proposed)
Caspian Projects

Upstream Projects
- Azeri Guneshli Oil Field
- Shah Deniz Gas Field
- Sangachal Terminal

Transit Projects
- Baku Supsa Oil pipeline
- Baku Ceyhan Oil Pipeline
- Southern Caucasus Pipeline (to Erzrum)
- Trans Anatolian Pipeline (TANAP)
- Trans Adriatic Pipeline (TAP)
- Trans Caspian Pipeline (TCP)

Major BTC Shareholders:
- British Petroleum
- Azerbaijan State Oil Company
- Turkish Petroleum
- Botas, Chevron, Statoil, ENI

Shah-Deniz gas development –
- BP, SOCAR, Lukoil, Petronas,
- TANAP
- SOCAR, BOTA, BP
- TAP
- Axpo Trading, British Gas marketing, Flyx Europe, ENAgas, AzTap
Pipeline’s Security

1.08.2008, Blasting, BTC, Turkey

9-10.08.2008 Russian Jets bomb pipelines in Georgia

23.07.2015 Russia takes 2 km of Baku-Supsa, Georgia

4.08.2015 terrorist attack, SGC pipeline, Erzrum, Turkey
Southern Gas Corridor
Southern Energy Corridor – TAP/TANAP

- A Project of European Interest
- Cost around 35-40 BLN USD
- Confirmed from IFIs 4.1 BLN USD
- Expected 4.5 BLN USD
Russia’s response – TurkStream
Azeri Defense Budget
Spending against Armenia

Military Boost
Azeri defense spending surges more than 10-fold in decade

Source: SIPRI
Expenditure in constant 2011 U.S. dollars
Lessons learned - BTC pipeline ground impacts

- Non-transparent Host Country Government agreement
- Unfair land compensation practices
- Intimidation of locals, death threats, blackmailing,
- Corruption
- Flawed grievance mechanism
Sangachal Terminal

Gas Pipeline coming out of ngachal Terminal burst, December 2016

Flaring, Sangachal 2013, Umid Village
Land disputes, ancillary damage

After blasting 30% of land affected in Georgia were under dispute.
Environmental treats

Water from tape in resort Tsemi, 2007
Implications of Human Rights in Azerbaijan
Azeri’s Economic Development?