

To:

President of France,
Mr. Emmanuel Macron
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Copy:

Ministry of Europe and Foreign Affairs of France
37, Quai d'Orsay
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Embassy of France to Azerbaijan
9, rue Rassoul Rza
AZ 1000, Baku, Azerbaijan

Subject: EIP investments in the TANAP and TAP

8 December 2017

Dear President Macron:

We, the undersigned civil society organizations, are deeply concerned about the European Investment Bank's (EIB) expected decisions to invest in the Trans-Anatolian Pipeline (TANAP) and the Trans-Adriatic Pipeline (TAP). Investing in the gas and oil infrastructure in Azerbaijan, a country with a deplorable human rights records, where high-level corruption is ripe and human rights and civil society organizations are persecuted for their peaceful work would be at odds with the founding values and principles of the EU. It would also contradict the EU's sustainable energy policy and the objectives of the Climate Summit, which your administration is organizing in Paris on 12 December 2017. Therefore, we urge you to demonstrate leadership in promoting and protecting European values and ensure that the EIB does not invest in these projects before the EU and its member states obtain evidence of tangible improvements in the human rights situation in Azerbaijan, the country set to provide energy to Europe through these pipelines.

As you are aware, the TANAP and TAP projects are part of the Southern Gas Corridor (SGC), a series of mega pipelines stretching across 3500km from Azerbaijan to Italy, aiming to bring up to 16 billion cubic meters of Azerbaijani gas annually into Western Europe. The Corridor is expected to cost over 38 billion Euros and the World Bank, European Bank for Reconstruction and Development, Asian Development Bank and the Asian Infrastructure Investment Bank have to date invested over 4.2 billion Euros of taxpayers' money into the SGC. The EIB is considering investing another 3 billion Euros in these two projects. Given the fact the EIB is an EU institution, it should abide by Article 21 of the Lisbon Treaty, which sets out that the "Union's actions on the international scene shall be guided

by the principles which have inspired its own creation [...] democracy, the rule of law, universality and indivisibility of human rights and fundamental freedoms [...]". The same article stresses that the Union should develop relations with partner countries which share and abide by these principles.

The Shah Deniz natural gas field in Azerbaijan is currently the only gas source for the Southern Gas Corridor. International investments in Azerbaijan's rich reserves of oil and gas have contributed to disregard for human rights, corruption and intolerance of independent civil society in the country since the investments have been made in spite of serious problems in these areas and without conditions for improvements. On the day before the first contract for the development of the Shah Deniz gas field was signed with the British Petroleum-led consortium on 17 December 2013, prominent human rights defender Anar Mammadli was arrested in Azerbaijan. This example shows that unconditional international investments have emboldened President Aliyev's regime in flouting its international human rights commitments, knowing that the international community will nevertheless engage in energy trade with it. Since 2013, the human rights situation in Azerbaijan has continued to worsen. Reporters Without Borders ranked [Azerbaijan](#) 162 out of 180 countries in its 2017 World Press Freedom Index, and Freedom House has ranked it [Not Free](#) in its Freedom in the World survey for over a decade. In 2017, President Aliyev renewed his clampdown on freedom of expression, shutting down access to the last remaining independent media sources providing coverage in Azerbaijan such as the websites of Radio Free Europe/Radio Liberty's Azerbaijan's Service, Meydan TV, Turan TV and others. NGO legislation and policies remain excessively restrictive and foreign donors organizations have been forced to leave the country after it has become impossible for them to carry out their work. The arrest of Anar Mammadli was followed by a growing wave of arrests of other critical voices and currently there are at least 100 political prisoners in Azerbaijan. The number keeps growing, despite occasional releases. In a case that our organizations and other NGOs already drew your attention to in a [letter](#) sent in July 2017, Ilgar Mammadov, leader of an opposition movement and a member of the advisory council of the Natural Resources Governance Institute, remains in prison, although the European Court of Human Rights has ruled that his detention violates the European Convention on Human Rights. Because of the failure of the authorities of Azerbaijan to implement this ruling and release Mammadov, the Committee of the Ministers of the Council of Europe recently decided to return the case to the European Court of Human Rights for unprecedented infringement procedures.

In March 2017, the Extractive Industries Transparency Initiative (EITI), a multilateral standard to promote transparency and accountability in the oil, gas, and mining sectors, [suspended Azerbaijan](#) due to lack of space for civil society in the country to independently monitor the government. Following this, Azerbaijan left the EITI altogether, underscoring the government's blatant disregard for public accountability and open governance. Azerbaijan's newly formed national Commission on Transparency in the Extractive Industries is not an independent body with accountability mechanisms, but, rather, is under the State Oil Fund and headed by its Executive Director, Shahmar Movsumov. The Open Government Partnership, an initiative aimed at promoting good governance likewise designated [Azerbaijan inactive](#) last year due to severe governance concerns.

The recent expose of corruption in Azerbaijan underscores the inherent risks for Europe in engaging in energy trade with the regime of the country. According to the [Organized Crime and Corruption Reporting Project \(OCCRP\)](#), Azerbaijan has laundered over 2.9 billion USD in European banks, using the money to bribe European officials for influence. With such rampant corruption at the highest levels of the Azerbaijan government, reaching into European institutions and government officials, the EIB cannot assure that its loans will be used in a transparent and accountable manner.

Azerbaijan continues to violate the fundamental freedoms enshrined in the European Convention of Human Rights, refuses to implement the rulings of the European Court of Human Rights, and

erodes the credibility of European institutions through its influence. We urge you to take the lead in protecting the European values of human rights and democracy by not granting finance to the TAP and TANAP projects at the EIB.

President Macron, the Climate Summit you are organizing on 12 December will focus on galvanizing public and private financing to fight climate change. On the same day, the EIB is poised to approve 3 billion Euros to support natural gas pipelines that would lock in extractive industries infrastructure in Europe for the foreseeable future. In addition to the human rights concerns about this project discussed above, there are also other important considerations that speak against it. First, Europe's need for Azerbaijani gas is questionable. From 2010 to 2014, gas consumption in the EU shrunk by a quarter. According to the [EU Reference Scenario 2016](#), natural gas consumption will remain at relatively stable levels until 2020 and then will experience a slight decrease through 2050. Despite the fact that Europe maintains gas in its energy mix as a bridge towards renewables, demand does not exist to justify a costly, risky mega-pipeline from Azerbaijan.

Further, natural gas can be considered a 'cleaner' fuel only when it is burned and does not leak from the source or distribution systems. [Methane](#), which makes up 95% of natural gas, is 34 times more potent than CO₂ over a 100 year period, and 86 times stronger than CO₂ in trapping heat over 20 years. If natural gas leakage amounts to even 3%, it is the same with respect to GHG emissions as burning coal. While fugitive methane is difficult to calculate, in 2009 the US Environmental Protection Agency reported nation [leakage](#) from extraction and transportation to be at 2.4%. Moreover, this is in the US, with relatively accountable and efficient systems. In Azerbaijan, where corruption reigns and fossil fuel production fails international accountability standards such as the EITI, one can only guess what the fugitive methane levels may be. Azerbaijani natural gas is not clean, and the Southern Gas Pipeline is not a bridge towards renewables. By investing, both politically and financially into the SGC, Europe is only furthering continued dependence on fossil fuels. Instead, investing 3 billion Euros of taxpayers' money in clean, renewable energy would tremendously further the goal of the Climate Summit to fight climate change.

As the Climate Summit approaches in Paris, we urge your administration to vote against the SGC loans at the EIB, and instead advocate that these financial resources be directed at a renewable, clean energy portfolio. We also urge you to use your influence to ensure that investments do not contribute to human rights violations by channeling resources to repressive governments such as the Azerbaijani one without requiring any improvements in human rights protection.

We thank you for your attention to the concerns raised in this letter.

Sincerely,

Rasul Jafarov
Director
Human Rights Club



Kate Watters
Director
Crude Accountability



Brigitte Dufour
Director
International Partnership for Human Rights

