

# CRUDE ACCOUNTABILITY

## Annual Report 2009



### Crude Accountability Mission

Crude Accountability works with local activists and citizen groups in the Caspian Sea basin to protect the region's natural environment and to ensure environmental justice for communities impacted by natural resource development.

## Message from the Executive Director

Dear friends,

For seven years Crude Accountability has proudly worked with some of the most committed environmental and human rights activists in the Caspian region. Crude Accountability and our partners look for creative, new approaches to protecting toxic communities, defending embattled ecologists, challenging corporations and governments, and holding accountable those who trample the rights of citizens to a clean and healthy environment. Time and again, standing up to power has proved to be the only solution to the unjust, and sometimes criminal, actions of oil companies and corrupt governments focused on revenues from oil and gas extraction. Our partners who live in authoritarian and dangerous conditions do this repeatedly, and at serious personal risk. It is our great honor to work with them and bring their voices the international community.

We thank our supporters—the many individuals and institutions who make our work possible and who work with us for environmental justice in the Caspian region. This part of the world is little understood, and yet becoming more and more prominent on the global stage as corporations seek hydrocarbons to feed our petroleum hungry societies.

We invite you to stand with us in our fight for justice in the Caspian region. We invite you to stand with our partners, many of whom are forced to work underground for fear of reprisal against themselves and their families. We invite you stand up for justice and a healthy and sustainable world where money and greed are defeated by fairness and integrity.

Warm regards,



Kate Watters

### Svetlana Anosova

Svetlana Anosova, leader of Zhasil Dala, courageously fights some of the world's largest oil companies to win justice for her Kazakhstani village, all the while balancing her job as a music teacher, caring for her grandchildren, and tending to her livestock and her now polluted garden. Whether she is traveling to Washington, DC to speak at the World Bank, informing her local government officials of environmental violations occurring at the Karachaganak field, or mobilizing her neighbors for the next steps in their campaign, Svetlana's determination and courage inspire us daily.



## Berezovka Village Relocation and Compensation Campaign

From day one, Crude Accountability has been working hand-in-hand with the villagers of Berezovka, Kazakhstan to achieve their goals of relocation and compensation from the massive Karachaganak Oil and Gas Condensate Field, located only three miles away. The community suffers from toxic exposure as a result of the emissions from the field, which is operated by an international consortium, comprised of British Gas, Chevron, ENI and Lukoil. Crude Accountability has partnered with the local organization Zhasil Dala (Green Steppe), which was created by a committed group of villagers who are fighting for compensation and relocation to a safe and environmentally clean location, their right under Kazakhstani law. Together, we have achieved successes that once seemed out of reach—we have legally obtained access to vital information deemed confidential by the Karachaganak consortium, conducted independent environmental monitoring, and strongly advocated for better project oversight from the World Bank Group, which provided the Karachaganak field with \$150 million in financing in 2002. In fact, as a result of an official complaint by Crude Accountability, the World Bank found its private lending arm out of compliance with monitoring standards for air emissions at the Karachaganak field. With each of these successes, our campaign has grown stronger and, together with the residents of Berezovka, we continue to fight for relocation and compensation.

In 2009, we focused on a legislative strategy inside Kazakhstan with exciting results. Working in close partnership with Crude Accountability and the Kazakhstani environmental organization Green Salvation, the villagers received a continuance from Kazakhstan's Supreme Court in the first ever case against the government of Kazakhstan brought by a nongovernmental organization. The case, which stated the government has failed to ensure the safety of Kazakhstani citizens by forcing them to live in an environmentally toxic area, will be reviewed by the courts in the first quarter of 2010. Even as 2009 saw increasing government persecution of environmental and civil society advocates in Kazakhstan, the Berezovka case has commanded increasing attention and significance within the country.

Throughout 2009, Crude Accountability engaged corporate and financial decision-makers, academia and the general public in discussions regarding the connection between the environment and human rights, and the implications for the future of Berezovka. Crude Accountability joined the True Cost of Chevron Coalition, bringing Chevron's involvement in Kazakhstan into this influential international alliance of environmental and human rights activists. In addition to writing about Chevron's activity in Kazakhstan for *The True Cost of Chevron: An Alternative Annual Report*, Crude Accountability participated in Chevron's annual shareholder meeting, bringing concerns about the company's activities in Kazakhstan directly to the company's CEO, Board of Directors and shareholders.

In 2009, Crude Accountability also produced the eye-opening film *Berezovka: A Town that Suffers from World Bank Inaction*, describing the World Bank's involvement in the human rights violations of the Berezovka residents. We first presented the film at the Annual Meeting of the World Bank, and have since brought the film to an ever expanding global audience via YouTube. Engaging academic circles, Crude Accountability contributed a chapter on Karachaganak to the well-received book *Environmental Justice and Sustainability in the Former Soviet Union*, which was published by MIT Press. One reviewer summed up the volume as follows: "with in-depth field surveys, rich historical contextualization, and cultural assessments, this book shines a light on issues that have received little attention in Western publications...This book convincingly shows how environmental issues and their solutions are critically tied to other factors". Finally, Crude Accountability's work in Kazakhstan was featured by numerous print and online media in 2009, as well as by *Against the Grain* on KPFA radio in Berkeley, California.

Working in partnership, Crude Accountability continues to bring the fight of the Berezovka villagers front and center before those who hold the power to set in motion the relocation and compensation of 1500 people who are suffering from continual exposure to the toxins from the Karachaganak Field.



## Campaign to Save Russia's Taman Peninsula

Since 2006, Crude Accountability has led a pioneering campaign to stop the development of the Russkiy Mir Oil Terminal on the Taman Peninsula in southwestern Russia. The oil terminal development, which is funded by the World Bank Group, is threatening local communities by destroying their most productive fishing grounds, polluting the air, water and soil, and undermining the local economy, not only its marine food supply, but also tourism and agriculture. Working with community activists, Crude Accountability strives to protect the population's economic, environmental and human rights, and to secure a sustainable and environmentally sound future for the Taman Peninsula.

In 2009, Crude Accountability and our local partners conducted the first community air monitoring on Taman,

the results of which indicated dangerously high levels of toxins such as carbon disulfide, and styrene. Using these data and other indicators of oil-related pollution, we continue to bring greater awareness of the negative effects of the terminal development to decision-makers within the World Bank, the companies involved and the local government. Complementing these efforts, Crude Accountability brought independent documentary filmmaker Karen B. Song to Taman in 2009 to document the ways in which the local community is holding the World Bank accountable for its actions on the peninsula. We showed an early cut of *Taman: The Edge of the World* at the World Bank's 2009 Annual Meeting, which was held in October in Istanbul. We will publicly release the final cut of the film in cities across the United States in 2010.

### Igor Golubenkov

Small business owner and local council member Igor Golubenkov brings great energy and diplomacy to his fight to stop the development of a major oil and gas terminal on Russia's beautiful and fragile Taman Peninsula. Faced with regular persecution, including the temporary closure of his popular grocery store in Taman, Igor courageously stands up to local intimidation and World Bank defeatism in his ongoing battle to protect his hometown and the cultural and environmental heritage of Taman.



### BankMonitor

In 2009, Crude Accountability continued to publish BankMonitor, our free online Russian language information service, providing information to subscribers about the activities of international finance institutions in the former

Soviet Union. Published twice a month for nine years, BankMonitor focused on investments in the hydrocarbon sector, and a complete archive is available on our website.

## Campaign for Accountability in Turkmenistan's Energy Sector

Crude Accountability is one of a few international organizations combining the environment and human rights in its mandate. This joint focus is uniquely relevant in Turkmenistan, where the environmental movement has been increasingly attacked by its own highly repressive government. 2009 was a tough year for Turkmenistan's environmental community, making more important Crude Accountability's campaign to advocate for greater transparency and accountability in the country's growing energy sector.

Against this backdrop, Crude Accountability released our groundbreaking report, *Turkmenistan's Crude Awakening: Oil, Gas and Environment in the South Caspian*, an analysis of the environmental risks associated with growing international interest in Turkmenistan's vast oil and gas reserves. The University of California, Los Angeles hosted the launch of the report with a panel discussion featuring Crude Accountability and our partners from Turkmenistan and Kazakhstan. The report is touted by activists, government officials and business leaders alike as an important and comprehensive resource on a rarely addressed, but critical, topic.

Throughout 2009, Crude Accountability successfully placed environmental and human rights concerns on the agenda of international financial institutions that are considering financing projects in Turkmenistan. Crude Accountability and a Turkmen activist addressed the Board of Directors and spoke with the President of the European Bank for Reconstruction and Development at its Annual Meeting about the risks associated with financing projects in the hydrocarbon sector in this repressive country. This was the first time the institution was addressed by a Turkmen environmental activist. Building on this success, Crude Accountability, together with Turkmen and European partners, engaged in a letter writing campaign to the EBRD and European Investment Bank asking them to clarify their positions on investment in the hydrocarbon sector and human rights violations in Turkmenistan. We raised concerns about the proposed 2000 mile Nabucco Gas Pipeline in this correspondence, calling on the banks to refrain from supporting Nabucco

until Turkmenistan—a potential key supplier of natural gas for the pipeline—significantly improves its human rights record. As Turkmenistan has effectively silenced civil society within its borders, Crude Accountability serves as a vital channel through which our courageous colleagues are able to bring their voices to the west.

Working side-by-side with our Turkmen colleagues, Crude Accountability ensures that critical environmental and social issues are placed firmly on the table during international decision-making processes regarding hydrocarbon development in Turkmenistan.



### Andrey Zatoka

Crude Accountability led the US campaign to free Andrey Zatoka, a long respected Turkmenistani environmental activist who was wrongly arrested and sentenced to five years in prison on trumped up, politically motivated charges. Along with our colleagues in Russia, Europe and Turkmenistan, we secured his freedom in 18 days. Sadly, however, Andrey was forced to give up his citizenship and leave Turkmenistan to live in exile outside his homeland.

## 2008-2009 Financial Statement

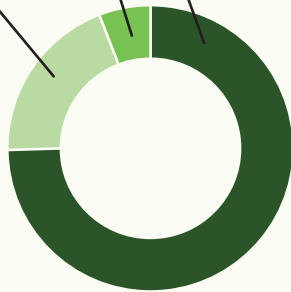
### Income and Assets

Grants: \$124,805

Individual Contributions: \$8,552

Assets: \$34,827

TOTAL: \$168,184



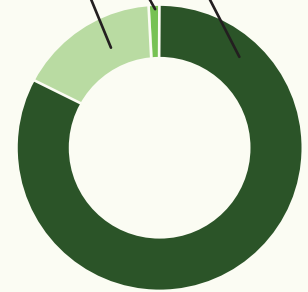
### Expenses

Programs: \$125,328

Development: \$881

Admin. Support: \$22,069

TOTAL: \$148,278



### Senior Management

Kate Watters, Executive Director

Michelle Kinman, Deputy Director

### Board of Directors

Timur Berkeliev

Leanne A. Grossman

Doug Norlen

Linda Price King

Neil Tangri

Mark Warford

### 2009 Foundation Support

The CEE Bankwatch Network

Sigrid Rausing Trust

Trust for Mutual Understanding

The Turkmenistan Project of the Open Society Institute

The Underdog Fund of the Tides Foundation

Crude Accountability would like to express sincere gratitude to the foundations and individuals who generously supported our work in 2009.

Cover Photo by Larisa Aranbaeva

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