

Caspian Oil Windfalls: Who will Benefit?

Conference Hosted by
the Open Society Institute and Center for Strategic and International Studies
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Introduction and Welcome

Mr. Robert Ebel:

Thank you all very much for coming on a Monday. Sometimes we find it difficult to get a decent turn-out when we have a conference on a Monday, but that's not our problem today. The problem today is we have a limited number of seats and really we're not able to accommodate everybody that wanted to come. So consider yourself a privileged guest today at CSIS.

My name is Bob Ebel. I direct the Energy Program at CSIS. I'm very happy to welcome you today. We're very pleased to be putting on this conference in association with the Open Society Institute.

We have a very busy day in front of us and let me tell you how it's going to run.

First of all, most important, the restrooms are around to the left. There will be no coffee break this morning. We do have a lot of ground to cover but we will have coffee in the back so feel free, when you need another jolt of caffeine, help yourself.

We will break around noon, hopefully, for lunch. The lunch will be a buffet served in this room so just fill your plate and come back to your table. We'll try to keep things as much on schedule as we can. Of course there is always a minor glitch here and there, but we'll try to keep things under control.

In the Q&A I would ask you to keep your questions brief, to identify yourself, and if you're addressing a member of the panel, please indicate to whom your question is addressed.

It's now my pleasure to turn the podium over to Tony Richter who will make some more remarks regarding today's program. Thank you.

Mr. Anthony Richter:

Thank you. Thank you, Bob, and to you and Lisa Highland and to Center for Strategic and International Studies for organizing and in fact co-sponsoring today's conference, "Caspian Oil Windfalls: Who Will Benefit?"

If we want to take one idea away from the various panels that we'll be hearing it's that public accountability and transparency of energy revenues in the Caspian basin is an essential component for the stable and sustainable development of these economies and societies.

We're going to hear from a number of speakers and a number of different perspectives and I'm going to let them do the speaking.

I wanted to say a word about the Open Society Institute and the idea of this project to give you some context.

The Open Society Institute I think is known to many in this room as a private and operating foundation based in New York City, active in more than 60 countries around the world, trying to support open society directly on the ground and by shaping government and inter-governmental policy towards countries around the world.

The idea for the Caspian Revenue Watch emerged around two or three years ago out of a concern that petroleum development in the Caspian region would undermine rather than promote the goals of open society and that the establishment of open societies is critical for providing real opportunities and protection to citizens in the region.

We set a goal for the Caspian Revenue Watch to promote transparency and accountability in the hydrocarbon sector through principally two paths. First, through a research track, the result of which is before us today. And second is direct support to civil society in a capacity-building mode to assist the emergency of budget watchdog groups, better informed journalists, to cover the historic emergency of wealth from the energy sector in and around the Caspian basin.

The project was conceived before the Enron scandal, before various investigations in and around the Caspian, and nonetheless subsequent events, we believe, have only underscored the importance of bringing the energy question more into the public debate and to empowering citizens who live in these societies to learn more about how the future wealth of their nations will be spent.

There are other activities with which the Open Society Institute is associated including the Publish What You Pay Campaign. We'll be hearing about that in one of the afternoon panels, but it's important to mention that we see it as kind of working in tandem with the kind of recommendations that we call for in the report. The Post What You Pay Campaign seeks in short to bring about a legal framework to require energy companies to disclose all payments made to host governments where they extract resources. We'll be working with groups in the region which also share those objectives.

I just want to walk through the panels and the rationale for the panels. We're trying to look at one question from different perspectives and drawing from different groups of stakeholders that care deeply about these.

The first panel will be looking at findings and recommendations of the Caspian Revenue Watch report and advisory group and will feature some of the contributors and some representatives of the

region who have been working on it up until now and will be carrying it forward.

Next we have a distinguished government panel to look at what governments in the region, the U.S. government and international financial institutions can be doing to encourage the idea of transparency and accountability of energy revenues in the Caspian.

That will be followed by a keynote speech by George Soros.

After lunch we will have two more panels, one from which we will hear presentations of three energy companies, from BP, Statoil and Shell.

The final substantive presentation will be one looking at petroleum governance and development beyond the Caspian where we will have a chance to reflect on the implications of the recommendations in places like Africa, Latin America and Iraq.

We'll have a concluding panel, and then we will adjourn. So that's a kind of overview of the day.

I'm looking forward to a lively debate which is guaranteed by the high quality of the speakers and the participants.

Finally I'd just like to say thanks to Bob Ebel and Lisa Highland, to Scott Horton who served as the chair of the advisory board for the Caspian Revenue Watch, and I'd like to congratulate Svetlana Tsalik and fellow contributors to the report on the occasion of the launch today.

I wish you all a good conference. Thank you.

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