ENVIRONMENTAL SECURITY PROBLEMS OF OIL ACTIVITY IN THE CASPIAN SEA

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History:
The first commercial oil activities in Azerbaijan started in the late 1870s and increased rapidly until the end of the First World War. After World War II, modern development occurred and Azerbaijan was among the first to develop offshore oil fields (Oily Rocks).

After gaining independence, Azerbaijan signed contracts with international oil companies. With the new, third oil boom occurring between 1995-1997, the future of Azerbaijan became very much linked to the revenues from the new oil prospects. Other countries of the Black Sea and Caspian Sea region developed similar oil activities and are actively participating in the exploration, extraction and transportation of oil.

Today, Caspian Oil represents economic hope for millions of people in the region, however, potential environmental impacts are associated with oil activities.

Environmental Problems of the Caspian Sea Oil activity.
According to the estimates, to date more than 2,5 million tons of crude oil has been accidentally released into the Caspian Sea. It should be remembered that in order to completely oxidize and break down 1 kilogram (kg) of oil, dissolved oxygen contained in 400,000 liters (L) of seawater is required. Moreover, dangerous chemicals, the so called Nekals are released to the sea as well. These dangerous chemicals include DDT which is extremely harmful and environmentally long-term. At concentrations of 0,01 mg/L DDT can completely destroy vertebrates and phytoplankton.

The oil reserves for the entire Caspian regions are estimated to be 16 to 32 billion barrels, which is comparable to approximately 22 billion barrels in North America and 17 to 33 billion barrels in Western Europe. The gas reserves in the Caspian region are estimated to be 326 to 327 billion cubic feet, which is comparable to the reserves of approximately 300 billion cubic feet in North America and 168 to 242 billion cubic feet in Western Europe.

Oil production activities in the Caspian Sea currently occur in sea waters that are already highly polluted. Caspian and Black Sea countries are not fully capable of managing anf processing solid wastes from oil production activities. Difficult ecological and environmental problems arise in oil transportation processes, and include conservation of land and maintaining biodiversity. This is important for Azerbaijan, Georgia, Turkey, Moldova and other Black and Caspian Sea countries.

Caspian Oil and Social Stability in the Region. Six years have passed since signing the "Contract of Century" in September 1994. The Contract was the beginning of hope for millions of people to improve their socio-economic and environmental conditions. But the improvement has not proceeded as expected.

For instance, the population of Azerbaijan Republic is about 8 million. Oil extraction is about 15 million tons per year. The oil extraction per capita is 2 tons a year, and this value will increase up to 7.5 tons in the years to come. Oil refining products will reach up to 2,5 tons per capita.
Transportation of Caspian oil and gas through Georgia will stimulate its economy. Transportation of Kazakhstan oil and Turkmenistan gas through the Caspian Sea will stimulate their economies. Social stability in this region depends on oil politics of governments and transnational companies (TNC).

International and Regional Cooperation in the Black and Caspian Sea Region. There is no problem in cooperation between transnational and local oil companies. They are very friendly. In the course of the last three to five years, several international organizations attempted to create programs for protection of the Caspian environment.

The Declaration of Cooperation in the Field of Environmental Protection in the Caspian Sea Region was adopted by the representatives of the Five Littoral States in Almaty (1994). The main problem perceived by the Declaration of Cooperation was the lack of agreement about the legal status of the Caspian Sea (i.e., whether it should be treated and managed as a sea or lake).

A Draft Concept Paper for the Caspian Environmental Program was prepared in Istanbul, May 1997. The draft enjoyed the support of the Caspian coastal states, private sector organizations, United Nations Development Program (UNDP), United Nations Environmental Program (UNEP), the World Bank and the European Community (through the EU/TASIS Program).

NGO Movement for Protection of Caspian Sea. Non-governmental Organizations (NGOs) have recently begun dealing with environmental problems on the Caspian Sea. A few independent monitoring discussions were carried out, but the NGOs are still unable to reach consensus on environmental security in the Caspian Sea.