Sudan, Oil, and Human Rights

Human Rights Watch

Brussels London New York Washington, D.C.

SUDAN, OIL, AND HUMAN RIGHTS

GLOSSARIES2
The Concession Holders:2
Past Players: 4
MAP B: OIL CONCESSIONS IN CENTRAL AND SOUTHERN SUDAN AS OF AUGUST 20025
Map C: OIL ACTIVITY AND THE SCENE OF WAR IN WESTERN UPPER NILE, AS OF OCTOBER 31, 20026
MAP D: ETHNIC GEOGRAPHY IN WESTERN UPPER NILE
Main Rebel and Militia Forces in Southern Sudan Named in this
Report 8
Key Southern Individuals Named in This Report
Key Non-Southern Individuals Named in This Report
Glossary of Terms and Abbreviations
SUMMARY
SUMMARY
The Displaced

Blocks 1, 2, 4, and 5A and 5B: Oil Geography	101
Human Population	106
Maps and Tax Records of Nuer and Dinka Presence	107
The Living Patterns of Dinka and Nuer	114
Relations between Baggara, and Nuer and Dinka	116
Independence, Civil War, and the Addis Ababa Agreement	118
THE CHEVRON PERIOD: 1974-92	
Overview	123
Chevron Oil Concessions	126
Southern Fears about Oil Development	128
Resumption of Civil War	130
Formation of SPLM/A in Ethiopia, 1983	
Government Use of the Baggara as a Forced Displacement	Tool,
1980s	
Chevron Attempts and Fails to Develop the Oilfields	
Overthrow of President Nimeiri, Chevron Pulls Out, 1985.	
Civil War and Political Developments	149
Elections 1986, Military Coup 1989	149
SPLA Control of Western Upper Nile	150
Government Use of Paulino Matiep's Nuer Militia	152
Government Army Displacement of Nuer from the Oilfield	ds, 1990
	154
SPLM/A Split; Riek Machar Heads Breakaway Faction, 199)1 155
THE ARAKIS PERIOD: 1992-98	
Overview	160
Arakis Energy's Struggle to Develop the Oilfields	162
Early Problems for Arakis, 1992-93	162
Formation of GNPOC Consortium, 1996	
Divide, Displace, and Destroy in the Oil Areas	166

Army/Muraheleen displacement, 1992-981	66
The 1996 Political Charter and the 1997 Khartoum Peace	
Agreement1	71
Contested Elections and Displacement by the Nuer Militias, 1996)-
981	77
PART II: OIL FUELS THE WAR1	82
OIL DEVELOPMENT AND DISPLACEMENT	82
IN BLOCK 5A, 1996-981	82
Overview 1	
Lundin (IPC) Enters the Scene, 1996 1	83
The Significance of the GNPOC Pipeline1	85
Block 5A Operations in 19981	86
Fighting and Displacement of Nuer Communities in Block 5A, May	r-
October 19981	90
Government Depopulates Block 5A, 1998 1	91
Government Army and Paulino Matiep Militia in Ler, 1998 1	94
Relief Agencies Note Forced Displacement and Devastation in	
Western Upper Nile, 19982	:04
THE WUNLIT NUER-DINKA RECONCILIATION PROCESS, 1999)
	:10
Overview	210
The West Bank Nuer/Dinka People-to-People Peace and	
Reconciliation Conference, February-March 1999	211
Purpose of the Wunlit Conference	211
Participants at the Wunlit Conference2	
Proceedings and Resolutions at the Wunlit Conference	:19
OIL SUCCESSES FOR GOVERNMENT DESPITE REBEL MILITAN	
OPPOSITION: TALISMAN STEPS IN, 1998-99	23

Overview
Talisman Becomes New Lead Partner for Blocks 1, 2, and 4, Mid-
1998
Government Inaugurates Oil Pipeline in Heglig, May 1999 229
Government Inaugurates Khartoum Oil Refinery, June 1999
First Oil Exports Flow from Sudan, August 1999231
Incidents of Pipeline Sabotage, 1999 233
Government Relations with Southern Militias, 1999
Divisions in Paulino Matiep's Bul Nuer Militia, October 1998-
September 1999
Government Foments Division of SSDF Into Smaller Nuer Militias
Dispute over Block 5A Oilfields between Government and SSDF, Early 1999
Government Calls for Military Volunteers to Defend Oilfields, 1999
DISPLACEMENT AND DEVASTATION IN BLOCK 1, 1999
Overview
Government Campaign of Forcible Displacement from Block 1,
February-July 1999
BATTLE FOR CONTROL OVER BLOCK 5A,
April-June 1999
Overview
Battle for Control of Block 5A: First Rebel Attack on Oil Operations
Since 1984; Lundin Evacuates, May 1999
Fighting Begins As Army Troops Attempt to Occupy Oil Rig 267
Government Army Occupies Lundin Drilling Site; Militia Forces
Chase Civilians and SSDF Rebels to a Distant Corner of Block 5A

Each Side Accuses the Other of Instigating Fighting in Block 5A,
May 1999
Civilians Displaced from Block 5A, May-August 1999
Nuer Civilians Flee to Mayandit, then to Dinkaland
Dinka Warmly Welcome Displaced Nuer, Slow International Relief
Other Displaced Nuer Embark on Hazardous Journey to Nyal and
Ganyliel
Other Human Rights Abuses Linked to Displacement, 1999
Rape and Other Abuses Against Women 290
Government Use of Antipersonnel Landmines
Rebel Treatment of Prisoners 297
Rebel and Government Militia Recruitment of Child Soldiers 299
OIL-CAUSED REALIGNMENT OF SOUTHERN REBEL FORCES
AND ESCALATION OF WAR, LATE 1999
AND ESCALATION OF WAR, LATE 1999

Nuer Peace Talks; Formation of the Upper Nile Provisional Militar Command Council, November 1999	•
	527
Fighting Continues between Southern Rebels and Government in	
Blocks 1 and 4, November 1999	330
THE OIL ROAD: NUER DISUNITY AND OIL DISPLACEMENT INCREASE, 2000	334
Overview	334
Riek Machar Resigns from Government and Forms Sudan People's	
Defence Forces/Democratic Front, February 2000	
Government Offensives in Support of Road Building for the the	
Oilfields, 2000	339
Fighting Along the Oil Roads, April 2000	
Nuer Forces, Armed by Others, Return to Fighting Each Other, Ju	
October 2000	•
SPDF Forces Receive Government Ammunition to Fight SPLA,	
June-July 2000	
Government Completes All-Weather Road to Ryer/Thar Jath	
A Journalist Travels the Oil Road, April 2001	
Government-Armed Offensive Leaves Tens of Thousands of	
Civilians Uprooted, 2000	357
•	
MORE PEACE EFFORTS, MORE FIGHTING IN THE OILFIELD	
2001-2002	
Overview	
Political Developments Related to the Oil War	366
Southern Efforts to Unite Southern Militias in Government	
Territory	366
Wunlit Threatened by Continued Intra-Nuer SPLA/SPDF	
Fighting, February 2001	
SPLM/A and SPDF Talks and Merger, 2001-2002	370
U.S. Peace Initiative Under Senator Danforth, September 2001-	

May 2002	375
Military DevelopmentsBlocks 1, 2, and 4: GNPOC	377
Use of GNPOC Airstrips	
Block 5A, Early 2001	386
The Military Tide Turns Toward the Rebels in Block 5A, La	te
2001-2002; Lundin Suspends Operations Again	388
Government Counter-offensive in Block 5A, 2002, Displace	es
Civilians	392
Displacement Crisis in Oil Areas Because of Fighting, 2001-20	02401
Oil Developments	410
Oil Production Increases in Blocks 1, 2, and 4	410
Lundin Makes a "Significant Oil Discovery" in Block 5A in	2001,
Suspends Operations Again in 2002	412
New Blocks to be Exploited	413
PART III: HUMAN RIGHTS CONSEQUENCES OF OIL	
DEVELOPMENT	416
INTERNAL DISPLACEMENT AND INTERNATIONAL	
HUMANITARIAN LAW	416
Overview	416
Numbers of Nuer and Dinka Displaced from Oil Blocks in W	
Upper Nile/Unity State	
1998-1999	
2000-2001	420
2001-March 2002	
The Illegality of Forced Displacement under International	
Humanitarian Law	424
Contractually-Incurred Obligations Forbidding Forced	
Displacement	427
Oil Operations as a Military Objective	
L , , ,	

.

Relief Politics and Abuses in the South
Government Flight Bans and Bombings of Relief Locations in
Western Upper Nile 433
Rebel Manipulation of Relief 448
Overview
TABLE 1: SUDANESE GOVERNMENT OIL REVENUE AND
MILITARY EXPENDITURES, 1999-2002
Oil Revenues Soar
Government Ability to Stem Post-2005 GNPOC Production
Decline Hinges on Block 5A and Other New Production
Government Military Spending Almost Doubles in Two Years, Using
Up 60 percent of the Oil Revenue
Government Uses Oil Wealth for Arms Imports and Industry 468
Sudan Suspected of Acquiring Polish Tanks Intended for Yemen,
August 1999 470
Government Revenue from Oil, Development Applications? 473
IMF Audits
Government Uses Oil Revenue to Buy Friends
Increased Government Bombing of the South
Bombing in 1999 478
Increased Bombing in 2000 481
Bombing Condemned, April 2000 486
U.S. Attempts to Obtain an End to Civilian Aerial Bombardment,
2001/2002
NEGLECT OF THE ENVIRONMENT
Environmental Issues Regarding the Sudd and the Jonglei Canal 497
Warnings about Environmental Impact of Oil Extraction
Talisman's and GNPOC's Limited Environmental Impact
Assessment, August 1998 503
Block 5A: Lundin Claimed Environmental Impact Study Done 505

•

Satellite Evidence of Alteration to the Environment and Drying Out of River/Stream Bed	
PART IV: FOREIGN CORPORATE COMPLICITY, FOREIGN GOVERNMENT SUPPORT	0
TALISMAN AND CANADA, 1998-200051	0
Talisman's Decision to Invest	0
Talisman Failure to Investigate Allegations	4
What Riek Machar Said He Told Talisman, 1998-9951	5
What Gov. Taban Deng Said He Told Talisman, 199951	9
The Campaign Against Talisman52	20
Canadian Government Promises Action on Talisman, March-Apri	1
1999	
Talisman Annual Meeting May 199952	22
U.N. Expert Criticizes Oilfield Human Rights Abuses, October	
1999	27
Canadian Government Issues Policy Statement on Sudan, October	
1999; Talisman Signs Code of Conduct, December 199952	29
Southern Politicians in Khartoum Denounce Oil Companies,	
November 1999 53	34
Talisman Takes Oil Analysts on Company Tour of Sudan, Novembe	r
1999	36
The Harker Report	ļ 1
Canadian Government Announces Toothless Sudan Program,	
February 2000	1 5
U.S. Criticizes Canada	19
Canadian Initiative at U.N. Security Council Blocked, April 2000 55	50
TALISMAN "HUMAN RIGHTS" AND DEVELOPMENT EFFORTS, 2000-2002	
Talisman Annual Meeting, May 200055	53

Talisman Meets the Sudan Government; GNPOC Signs Code of	
Ethics, December 200055	5
Talisman Human Rights Monitoring 55	8
Corporate Social Responsibility Report 2000, Sudan (April 2001) 55	9
Compensation Payments (Pipeline Only)	0
Development Initiatives and Relief Donations	2
Talisman Condemned at Annual Meeting 200156	8
Canadian Government Response57	0
Cynical Satellite Images, 2001 574	4
Talisman Annual Meeting, May 200257	6
Talisman Pulls Out, October 200257	8
LUNDIN: WILLFULLY BLIND TO DEVASTATION IN BLOCK 5A	
58	1
Lundin's Concession	
Lundin Hides the Situation of Armed Conflict in Block 5A	
Lundin Denies Revelations about Forced Displacement in Block 5A,	
2001	
Lundin's "Oil Policy on Sudan" Substitutes for a Human Rights	-
Policy	6
Talisman Buys Lundin's Non-Sudan Assets, June 2001 59	
Lundin Suspends Operations Due To "Insecurity," January 2002-	
April 2003	9
Lundin Community Development Program	
CHINA'S INVOLVEMENT IN SUDAN: ARMS AND OIL	
Arms Trade between China and Sudan60	
China's Need to Acquire Foreign Oil Reserves	7
China's First Initial Public Offering on the N.Y. Stock Exchange	
Backfires	
CNPC Erects a "Firewall" to Satisfy Activists	4
Opposition Undercuts PetroChina Initial Public Offering, March	

2000
2001
CNPC Participation in Government Refinery
OTHER OIL COMPANIES
Petronas: Partner in GNPOC, Lundin, and Block 5B Concessions 622
OMV (Sudan): Excited about Thar Jath Discoveries
TotalFinaElf: Courted by Khartoum Government
Royal Dutch/Shell632
THE UNITED STATES: DIPLOMACY REVIVED
Overview
Clinton Administration Policy on Sudan
U.S. Bombs Khartoum, August 1998 636
U.S at the U.N
U.S. Congress Gets in on the Act
Campaign Against Oil Investment
Pressure to Sell Off Talisman Shares
The Campaign for Capital Market Sanctions
Talisman Sued by Displaced under the Alien Tort Claims Act in
New York
U.S. Aid to Sudanese Rebel Groups657
U.S. Special Envoy for Humanitarian Assistance to Sudan: May 2001
U.S. Special Envoy for Peace in Sudan: September 2001
U.S. Policy in Sudan, 2002
EUROPEAN UNION
E.USudan Political Dialogue674
E.U. Leadership at the U.N. Commission on Human Rights
PART V: CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION	i
RECOMMENDATIONS696)
I. Minimum Benchmarks 696)
Displacement	,
Transparency 699)
II. Failure to meet benchmarks 699)
To the European Union and its member states (notably Sweden,	
Austria, France, Germany, and the United Kingdom), and the	
governments of Canada, China, and Malaysia, and any other state	
where oil companies operating in Sudan are headquartered: 699)
III. Additional Recommendations700)
To the companies:)
To the Government of Sudan:701	,
To the United States:	6
To the Canadian Government:704	ł
To the governments of Canada, China, and Malaysia: 705	5
To the European Union and its member states, notably Sweden,	
Austria, France, Germany, and the United Kingdom:	;
To the members of the United Nations Security Council:	ý
To the World Bank:706	5
To the rebel forces: the SPLM/A and other anti-government armed	
groups:	5
APPENDIX A: CHART OF BOMBING CONDUCTED BY THE	
GOVERNMENT OF SUDAN, 2000-2001	3
APPENDIX B: INTERNATIONAL MONETARY FUND, CODE OF	
GOOD PRACTICES ON FISCAL TRANSPARENCY	1
APPENDIX C: CHRONOLOGY: OIL, DISPLACEMENT, &	
POLITICS IN SUDAN	3
ACKNOWLEDGMENTS	3