



differ significantly. Where leaks from a gas pipeline present an explosion problem, spills from an oil pipeline risk despoiling large areas of terrain. The modes of transportation available for each also differ. The practical means of moving gas is in the form of Liquefied Natural Gas (LNG), and LNG is competitive only where the distances involved are greater than 4,800km. Oil, in contrast, is more easily moved, which means that oil pipelines potentially face much greater competition.<sup>4</sup>

Do these differences translate into distinct security practices? Well, although it has been noted that there is a significant difference between the activities, security practices in the extractive industry group oil, mining, and natural gas together. Here are a few examples of security practices in extractive industries that do not differentiate between oil and mining:

- [Barrick Gold Corp, “Security Management System”](#)
- [Chapter 5 in “Transnational Companies and Security Governance”](#)
- [International Institute for Sustainable Development, “Guidance for Extractive Industries”](#)
- [Learn Corp International, “Industrial Training for the Extractive Industry Sector”](#)
- [US Agency for International Development, “A Toolkit for Intervention”](#)

In several case studies that deal with oil-related issues and gas-related issues, there is a similar approach taken by companies. These cases highlight how oil, gas, and mining activities are seen and treated practically the same in various cases although (as previously outlined) the practices and impacts of all three differ.

The following are five case studies conducted by independent sources that deal with security operations in the oil sector, looking at how the conflict unfolded and how it was responded

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through informative meetings and follow

raise pipeline-related complaints directly with BP. A common complaint was the workers damaged existing infrastructure and land. For example, a contractor damaged the village water and sewage systems. In other places, construction has resulted in the erosion of riverbanks where pipelines are now exposed. BP's work in Azerbaijan has had positive influence on the culture of the oil and gas industry in the country as a whole. As part of the overall community engagement strategy, the grievance mechanism can be said to have had a positive impact on local people's awareness of their rights and willingness to seek resolution of grievances.<sup>7</sup>

### Iraq

The Rumaila oil field is Iraq's largest oilfield situated in Southern Iraq. Since 2009, Iraq's state-owned South Oil Company had engaged with BP and PetroChina through a technical service contract to operate and modernize the oil field. BP has worked with the Iraqi government to ensure the VPSHR was embedded within the technical service contract. The provision of security for the field consists of a combination of contracted private security providers, Rumalia Field Security Officers and the Iraqi Oil Police Force (J ET Q q Tm /940.2iefaftcidFFcdeld

circumvent responsibility for environmental damage and neglect the communities in which they operated. Revenue allocation distributed oil rents to the ethnic majority rather than to the ethnic minorities. As a consequence, the oil companies came to be viewed by locals as the government and companies assumed the role of community assistance. By the 1990s, the companies were co-funding the federal government's development agencies. The companies had little understanding of community politics and simply interacted with local elites, lacked transparency in their determination of oil spill severity and compensation rates, failing to negotiate the contested landholding arrangements, and used cash payments as a way to purchase consent. Shell's renaming of community assistance to community development in 1988 was intended to present a new face shaped by the World Business Council's CSR initiatives. However, this new approach

essential ingredients of successful conflict management.<sup>10</sup>

### Australia

Woodside is Australia's largest independent energy company, producing liquefied natural gas, liquefied petroleum gas, condensate and oil. A substantial portion of Woodside's business activities covers operations and development opportunities in the remote Pilbara and Kimberley regions of northern Western Australia. In 2006, Reconciliation Australia, an independent, not-for-

Relationships of trust come about through ongoing exchange of knowledge and experiences.<sup>12</sup>

### Egypt

Egyptian LNG (ELNG) is a liquefied natural gas (LNG) company, its plant near the town of Idku required a secure and reliable source of clean water for its operations. Since the volume of water required was not available, ELNG studied various options. The company approached the municipal water facility serving the region, the Behera Water and Drainage Company (BWADC), about drawing water from the municipal system. However, the municipal water distribution network lacked capacity to supply ELNG with their needs and the upgrades needed were not in the budget. As a result, the new potable water capacity was 'trapped' at the treatment station and could not be distributed to either ELNG or the under-served communities. ELNG saw an opportunity to partner with the municipal water company for a common goal. The company determined that building a 315-mm polyethylene pipe would supply its needs. However, to improve supply to the nearby towns and villages, a 12-km, 700-mm cast iron pipe was installed with a 315-mm polyethylene pipe spur off this into the plant—at an additional US\$1.5 million. ELNG agreed to pay the full \$4.8 million, while the municipal water company agreed to

