

Cop29 host Azerbaijan set for major fossil gas expansion, report says

Exclusive: Those with ‘interest in keeping world hooked on fossil fuels’ should not oversee climate talks, say report authors

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Azerbaijan’s climate action plan was rated ‘critically insufficient’ by Climate Action Tracker in September. Photograph: Sergei Grits/AP

Azerbaijan, the host of the Cop29 global climate summit, will see a large expansion of fossil gas production in the next decade, a new report has revealed. The authors said that the crucial negotiations should not be overseen by “those with a vested interest in keeping the world hooked on fossil fuels”.

Azerbaijan’s state-owned oil and gas company, Socar, and its partners are set to raise the country’s annual gas production from 37bn cubic metres (bcm) today to 49bcm by 2033. Socar also recently agreed to increase gas exports to the European Union by 17% by 2026.

The Cop29 summit, starting on 11 November, comes as scientists say that continued record carbon dioxide emissions means “the future of humanity hangs in the balance”. The International Energy Agency said in 2021 that no new fossil fuel exploitation should take place if CO2 emissions were to fall to zero by 2050.

But in 2023 Socar pushed 97% of its capital expenditure into oil and gas projects, the report found. The company launched a “green energy division” a few weeks after Azerbaijan was appointed as Cop29 host, promising investments in wind, solar and carbon capture technologies. But according to the report, Socar’s renewable operations remain insignificant.

Azerbaijan’s climate action plan was rated “critically insufficient” by Climate Action Tracker (CAT) in September. “Azerbaijan is among a tiny group of countries that has weakened its climate target [and] the country is doubling down on fossil fuel extraction,” said the CAT analysts.

Azerbaijan and Socar had also been accused of human rights violations, the report said. The authors said defeating the climate crisis required civil society to have freedom of speech and protected human rights.

“Given Socar’s pivotal role in Azerbaijan’s economy and its close ties to the country’s political elite, its influence will surely be felt throughout the climate negotiations in Baku,” said Regine Richter at the German NGO Urgewald, lead author of the report. “As we prepare for Cop29, we cannot but ask ourselves: did we put the fox in charge of the henhouse?”

Azerbaijan’s president, Ilham Aliyev, told a climate conference in April: “Having oil and gas deposits is not our fault. It’s a gift from God.” Aliyev appoints Socar’s management board and was vice-president of Socar until he succeeded his father as the country’s president in 2003. Azerbaijan’s ecology and natural resources minister, Mukhtar Babayev, will run Cop29. He previously worked for Socar for 26 years until 2018. Rovshan Najaf, the president of Socar, is part of the Cop29 organising committee.

A Cop29 spokesperson, responding in relation to Azerbaijan’s gas production and energy transition, said: “Azerbaijan is investing in gas capacity in response to a European request to increase supplies following the disruption of supplies from Russia. This is in line with the [UN’s] global stocktake, which agreed on the need to ensure that the energy transition is just and orderly.” The global stocktake concluded the world was not on track to stop global heating and that “urgent and deep greenhouse gas emissions reductions” were needed.

The Cop29 spokesperson added: “Azerbaijan is intensively developing its abundant solar and wind resources as part of its commitment to becoming a leading supplier of green energy.” Neither Socar nor Azerbaijan’s foreign affairs ministry responded to the Guardian’s requests for comment.

The new report, produced by Urgewald and CEE Bankwatch, found Azerbaijan was set to increase its gas production by a third in the next decade, with fossil fuel companies forecast to spend \$41.4bn (£31.9bn) on the country’s gas fields. Socar alone spent almost \$300m on exploration for new oil and gas between 2022 and 2024, according to the report.

The analysis is based on data from Rystad Energy, the industry’s leading provider. It includes current gas production, new resources approved for development, and other known resources. Burning of the expected gas production would produce about 780m tonnes of CO₂, more than double the annual emissions of the UK. Rather than discovering more reserves, scientists concluded in 2021 that most existing gas reserves needed to remain in the ground to limit global heating to 1.5C.

Socar works with some of the world’s biggest fossil fuel companies, including BP, TotalEnergies, the Russian oil giant Tatneft and the United Arab Emirates’ state oil company Adnoc. The CEO of Adnoc, Sultan Al Jaber, was president of Cop28 in Dubai, where nations failed to agree to “phase out” fossil fuels, as many wanted, instead choosing the weaker ambition of “transitioning away from fossil fuels”.

Socar also receives substantial financial backing from major international institutions, totalling \$6.8bn in loans and underwriting between 2021 and 2023, according to research by the Banking on Climate Chaos coalition.

Azerbaijan’s economy is heavily dependent on fossil fuel income, which makes up 90% of export revenues and 60% of state revenues, according to the IEA. Azerbaijan’s gas production was similar to that of the UK in 2022. Its oil production has declined since 2010.

“It is crucial that those who host the [Cop29] negotiations are true climate leaders, not those with a vested interest in keeping the world hooked on fossil fuels,” the report said.

The report also highlighted accusations of human rights abuses and corruption in Azerbaijan. The European court of human rights found the country had violated the European convention on human rights 263 times since 2001,

including three instances of torture and 30 cases of inhuman and degrading treatment.

Freedom House ranks Azerbaijan among the least free countries in the world in relation to political rights, independent media and civil liberties, below Russia and Belarus. Transparency International rated Azerbaijan as the second-worst nation for public sector corruption in eastern Europe and central Asia in 2022.

Socar has also been accused of human rights violations by the Azerbaijan-based Organization for the Protection of Oil Workers' Rights, which has cited health and safety violations and environmental pollution.

Manana Kochladze at CEE Bankwatch said: “Where other governments partner with civil society to tackle the climate crisis, the Aliyev regime systematically threatens environmental and human rights defenders. This does not inspire confidence in the upcoming negotiations in Baku.”