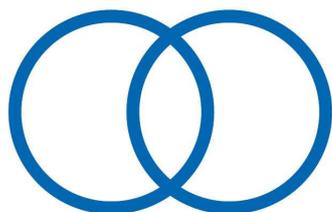


OpenOil



How to read and understand oil contracts— a booksprint

Summary

“How to read an oil and gas contract” will be the first book to open the process of oil and gas contract negotiations to the lay reader. OpenOil, a Berlin-based non-profit consultancy, has convened a group of world-class experts – lawyers, economists, and negotiators from southern countries – to collectively author the book in October and release it under the Creative Commons license. The book will be the foundation of a program to broaden understanding of negotiations across the world, acting as a soft tool building negotiation capacity, and promoting the norm of contract transparency.

Why is this book needed?

Many countries with nascent oil and gas industries lack capacity to have an informed debate around governance of the industry. International oil companies have more experience in negotiating contracts, and a clear, single objective: maximizing revenues. Host governments on the other hand face a more complex task of benefit maximizing for the entire country.

How will the book help?

“How to Read an Oil and Gas Contract” will be a soft tool for general negotiating capacity rather than support in specific negotiations. Using a sample of contracts already in the public domain, the group will explain in layman's terms the principal features of a contract, compare different legal approaches to them, and supply all the context and background necessary for non-specialists to understand what they are reading. A graphic designer will also be in the room to create visualizations of complex issues and reduce “text heaviness”.

It will not enable readers to become negotiators, but rather, to engage negotiators in an intelligent conversation, to understand what the major issues are in any negotiation and, broadly speaking, what approach is being adopted towards them and how that might compare to other places or to global best practice.

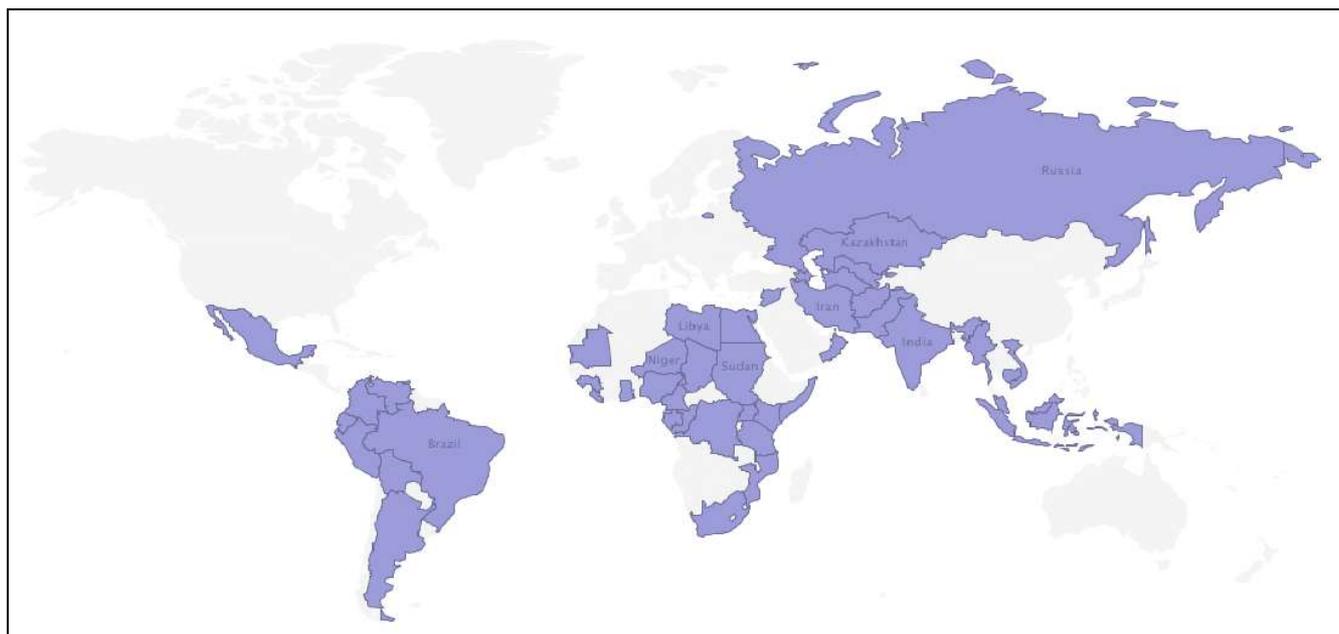
Target countries

Sub-Saharan Africa: South Africa, Tanzania, Mozambique, Kenya, Somalia, Sudan, South Sudan, Egypt, Libya, Chad, Cameroon, Nigeria, Niger, Mauritania, Ghana, Liberia, Guinea, Equatorial Guinea, Republic of Congo, DRC, Gabon, Uganda.

Central and Latin America: Colombia, Peru, Bolivia, Ecuador, Venezuela, Brazil, Argentina, Mexico, Trinidad & Tobago.

Middle East: Syria, Oman, Iran, Yemen, Algeria

Asia: Pakistan, Afghanistan, Kazakhstan, Turkmenistan, India, Myanmar, Bangladesh, Cambodia, Vietnam, China, Malaysia, Indonesia, Timor Leste



To get your free electronic copy of “How to read and understand oil contracts, go to <http://contracts.openoil.net>

Why is understanding contracts important?

Resource nationalism is rising again in Africa and elsewhere, leading to expropriations (Argentina), widespread labour unrest (Peru, South Africa and Zambia) and talk of contract renegotiation (Nigeria). Yet the number of people within government who have a handle on the salient issues can sometimes be counted in single figures, as civil servants, presidential aides and ministers are excluded from negotiation and sometimes even access to contracts.

Who will be taking part?

Participants fall into two categories, those with deep professional experience, and those from the "demand side", people in negotiating positions for southern governments.

The first group includes:

- Peter Eigen, former chair of the Extractive Industries Transparency Initiative (EITI)
- Jay Park QC, a Norton Rose lawyer who has advised many states and investors regarding oil regimes
- Susan Maples, advisor to the President of Liberia and author of Contracts Confidential
- Michael Jarvis, program leader for the Governance of Extractive Industries Program at the World Bank Institute

From the government side, there is interest from negotiators from:

- Sierra Leone
- Azerbaijan
- Liberia
- Trinidad & Tobago

How will the book be used in the future?

Once published under Creative Commons license, the book will form the basis of two further developments.

First, it will form the basis of workshops and training courses in how to understand oil and gas contracts. Although many such courses now exist they are geared in terms of course material and price range to the company side. OpenOil and its partners will "democratize" such courses, holding them in southern cities at a price range that ensures broad participation by government officials and civil society leaders alike.

Second, the book will be publicly available for anyone to adapt and localise to specific languages, countries, and even negotiating rounds. "How to Read an Oil and Gas Contract" is the first in a series over two years.

What is a booksprint?

A Book Sprint brings together a group to produce a book in 3-5 days. There is no pre-production and the group is guided by a facilitator from zero to published book. The books produced are high quality content and are made available immediately at the end of the sprint via print-on-demand services and e-book formats.

How will the book be distributed?

Through the following networks, reaching an estimated 10,000 people worldwide.

- GOXI, "Governance of the Extractive Industries" - a network set up by the World Bank Institute
- Publish What You Pay
- The Natural Resource Charter

Who is organising the booksprint?

OpenOil UG (<http://openoil.net>) is a Berlin-based non-profit energy consultancy seeking better outcomes from the oil and gas industry for the people of producing nations, within the context of the market economy. Partners include the United Nations Development Program, the Food and Agriculture Organisation, Revenue Watch Institute, the Center for Global Development, Simprentis Ltd, and the EITI secretariat. Ongoing projects include public domain reference guides to extractive industries in nine countries – <http://wiki.openoil.net> – and research into energy subsidies and cash dividend models of achieving transparency.

Sourcefabric is (<http://www.sourcefabric.org>) established as a Czech non-profit organisation with its headquarters in Prague. Sourcefabric provide news organisations with the software, expertise and support to produce news online, in print and on air.

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