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Investors call on oil giants to halt cash to Qaddafi's Libya regime

Proposal to pay oil revenues into Libya Recovery Fund.



by **Hugh Wheelan** | March 1st, 2011

US institutional investors have called on oil giants including BP, Shell, Exxon Mobil and ConocoPhilips with business in Libya to halt revenue payments to the government and pay them into an escrow account after the shooting of hundreds of protesters in the country. The call comes after United Nations Security Council sanctions against Libya were approved last weekend followed by a European Union arms embargo, asset freeze and visa ban. The investors belong to the Conflict Risk Network (CRN), a hundred-strong group, which includes the \$140.6bn New York State Common Retirement Fund. Oil is the primary funding source for the Libyan government, accounting for 95% of its export earnings and 80% of its domestic revenue. The investors said oil companies should cut financial support from the government but place the revenue payments into a Libya Recovery Fund that would act as a sanction against the ruling Qaddafi regime but not cause undue economic harm to civilians.

The strategy behind the escrow fund is based on a proposal that Human Rights Watch, the NGO, submitted to the United Nations Security Council in 2007 in relation to the conflict in Darfur. The investors said the escrow fund would permit both Libya and private firms to continue to export oil, but the receipts would be administered by an independent UN-designated financial institution such as the World Bank. Melany Grout, Director of the Conflict Risk Network. "It would be unconscionable if revenues from Libya's lucrative oil sector support Colonel Qaddafi's deliberate attacks on Libyan's citizens. Creating a Libya Recovery Fund is a way forward that would cut support to the government while enabling civilians to benefit from their resources. And while creation of a fund will require leadership from and discussion with the UN Security Council and other relevant offices and institutions, leadership from oil firms will be instrumental." Twenty-four institutional investors, including Calvert Asset Management and Boston Common Asset Management are supporting the campaign.

[Link to Conflict Risk Network](#)