

INTRODUCTION

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1 INTRODUCTION

1.1 BACKGROUND

Part B of this Resettlement Action Plan (RAP) describes the framework and procedures that the project will follow for acquisition of land and assets for the Azerbaijan section of the Baku-Tbilisi-Ceyhan Pipeline. In Azerbaijan, the Baku-Tbilisi-Ceyhan (BTC) pipeline project will not require any physical displacement of people or their dwellings. It will, however, result in temporary loss of use of land affecting income and livelihoods of some 4,296 households, and permanent land loss affecting 27 households. The RAP describes land acquisition and compensation principles and procedures to mitigate these impacts.

Insofar as it is relevant to this BTC Pipeline RAP, reference is also made to the South Caucasus Pipeline (SCP), which, if sanctioned, will be constructed on land contiguous with the BTC Project. Through a land cooperation agreement, BTC Co. and SCP will share portions of their respective 22 metre wide construction corridors with each other, as necessary to complete the construction of both projects (see Section 2.3.1). SCP will be developed by a separate consortium (hereinafter referred to as the 'SCP entity'). The SCP entity is not presently seeking finance under this RAP.

1.2 AZERBAIJAN CONTEXT

Azerbaijan extends from the southern part of the Greater Caucasus Mountains to the Caspian Sea. With a land area of 86,600 square kilometres, Azerbaijan shares borders with the Russian Federation, Georgia, Turkey, Iran and Armenia. It has a population of 7.7 million (July 2001 estimate). Azerbaijan's population is relatively homogenous with Azeris forming the majority ethnic group (83 percent of the population). Minorities such as Dagestanis, Russians and Armenians make up the balance. Azerbaijan also encompasses the enclave of the Nakhchevan Autonomous Republic and the Nagorno-Karabakh Region. As many as 650,000 Azeris have fled Nagorno-Karabakh due to conflicts between Armenia and Azerbaijan that took place between 1991 and 1994. These internally displaced people (IDPs) are now settled in many parts of Azerbaijan in both rural and urban areas.

Azerbaijan was amongst the first states of the former Soviet Union to declare its independence in 1991. Since independence, Azerbaijan has sought to transform itself from being a Soviet controlled command economy to a market oriented system under an elected executive. This has resulted in a period of rapid social and economic adjustment that has left Azerbaijan struggling to regain living standards experienced under the Soviet system. Failure of many inefficient, state subsidized enterprises has led to widespread unemployment. The collapse of the Soviet controlled agricultural pricing and market system led to falls in agricultural output and forced many former employees of state farming enterprises to become self-sufficient. Presently, 59 percent of households in rural areas, which are those most affected by the BTC Pipeline, are estimated to be below the poverty line based on purchasing power parity of US\$1.00/day/capita¹. Since 1998, however, there have been some improvements in Azerbaijan's economic performance perhaps indicating that the reform measures are starting to be beneficial.

¹ Cited from: Kudat, A., Musayev, A. and Ozbilgin, B. 1999. *Social Assessment of the Azerbaijan National Environmental Action Plan: A Focus on Community Responses to the Caspian Sea Environmental Disaster*. World Bank Social Development Paper No. 32.

Development and export of Azerbaijan's substantial oil and gas reserves forms a key part of the Government's strategy for strengthening the national economy. Since 1997, the Government of Azerbaijan has signed more than 20 Production Sharing Agreements with foreign oil companies, with associated investment commitments of about US\$60 billion². While development to date has occurred at a rate slower than expected, in the forthcoming decade, direct foreign investment in oil and gas development together with income from bonuses and royalties, are expected to grow rapidly and significantly boost Government of Azerbaijan revenues. The BTC Pipeline, designed to have a maximum annual throughput of approximately 50 million tonnes, will significantly increase Azerbaijan's export capacity.

1.3 PROJECT OVERVIEW

The BTC Project is being built to transport crude oil from the Azeri, Chirag and Gunashli (ACG) oil field lying offshore of Azerbaijan, which has forecast reserves of 5.2 billion barrels. The total length of the pipeline is 1760 km, with 442 km in Azerbaijan, 248 km in Georgia and 1070 km in Turkey. The pipeline will be buried for its entire length. The pipeline will export oil from the landlocked Caspian Sea to the Turkish port of Ceyhan on the Mediterranean Sea, from whence it will be loaded onto tankers for shipment to world markets.

Box 1: BTC Pipeline Azerbaijan Section - Summary of Land Impacts

Length of pipeline	442 kilometres
Number of pump stations	2 no. (including Sangachal Terminal Pump Station)
Number of valve stations	21 no.
Number of pigging stations	1 no. within the pump station. There is an option for two of the valve sites to be converted to pigging stations
Number of districts crossed	13
Number of affected villages and <i>ekonomis</i>	131
Number of affected households (58m corridor):	4,232
Private Land owners	3,921
Registered Users	153
Un-registered Users	6
Workers in Enterprises	152
Temporary land acquisition for pipeline construction (3 years)	1,970 hectares
Temporary land for construction facilities	220 hectares
Permanent land acquisition for pipeline	Nil
Permanent land acquisition for above ground installations	26 hectares
Area affected by restrictions of use (for the life of the project)	2,537 hectares

Census and Inventory, 18 October 2002

² CIA World Fact Book, 2002.

1.4 BRIEF DESCRIPTION OF THE BTC PIPELINE IN AZERBAIJAN

Within Azerbaijan, the BTC Pipeline originates at the Sangachal Oil and Gas Reception Terminal³ on the Caspian Sea coast near Baku and runs 442 kilometres to the Azerbaijan–Georgia international border near Boyuk Kesik (Akstafa District). The BTC Pipeline will have an external diameter of 42” (1,066.8 mm) with a peak export capacity when fully developed of 1 million barrels per day. The pipeline has generally been routed parallel to the existing Western Route Export Pipeline (WREP) operated by the Azerbaijan International Operating Company. The alignment of the BTC Pipeline in relation to the WREP is shown in Figure 1.1.

Figure 1.1 Pipeline Route



The pipeline has been carefully aligned to avoid settlements and the need to physically displace dwellings. Within Azerbaijan, the pipeline passes through 13 administrative districts and through land belonging to 131 villages and *ekonomis*⁴. Principal components of the BTC Project in Azerbaijan and their respective land requirements are summarised in Box 1.

The pipeline will be located within a 44-metre wide construction corridor. The corridor has been sized to accommodate both the BTC Pipeline and the proposed SCP pipeline. SCP will export natural gas from the Shah Deniz field to markets in Eastern Turkey. SCP construction is currently planned to occur following soon after completion of the BTC Pipeline. The shared corridor will result in 30 percent less land area being cleared for pipeline construction than if the two pipelines were constructed on separate alignments.

Construction of the BTC Pipeline will involve clearing a 32-metre wide strip of land. Across Azerbaijan the pipeline route crosses state, municipal and privately owned land. The pipeline

³ Resettlement impacts of the Sangachal Terminal and upstream works are described in: PRS. 2002. *Resettlement Action Plan for Sangachal Terminal and Offshore Works*

⁴ 'Ekonomis' are state collective enterprises.

will be installed in a trench and buried with at least one-metre cover to the top of the pipe. Horizontal directional drilling and other techniques will be used to install the pipeline under some major irrigation channels, roads and rivers to avoid disruption to flows. Land will be reinstated for agricultural use upon construction completion and landowners and users will be able to resume most grazing and agricultural activities within the corridor, subject to some restrictions (see Section 2.8). The BTC Pipeline has a design life of 40 years.

Construction of the BTC Pipeline in Azerbaijan is currently scheduled to start in the spring of 2003 and to be completed by the end of 2004.

1.5 PROJECT AFFECTED POPULATION IN AZERBAIJAN

A summary of households affected by loss of land (whether temporary or permanent), assets, or other loss or impairment of livelihood is provided in Table 1.1. Together, these categories of people form the “project affected population” in Azerbaijan. Taking into account land use practices in Azerbaijan and typical household reliance on land based income, it is assumed that where a nominated landowner, leaseholder or user is affected, his or her entire household will also potentially experience physical or economic impacts from the project. 4,172 households or an estimated 21,480 people will experience some direct impact as a result of the BTC Pipeline in Azerbaijan. The majority of these people (all except for 27 households, which will have some land permanently acquired) will experience temporary loss of use of their land during the three year construction period, but thereafter will be able to resume their normal agricultural activities.

1.6 PROJECT IMPACTS ON LAND IN AZERBAIJAN

In total, 1,970 hectares of land will be temporarily used for construction of the pipeline corridor, with another 220 hectares to be utilized for temporary construction facilities. Construction facilities will typically be sited on unused railway sidings or vacant industrial land. A further 26 hectares will be permanently acquired by the State for construction and operation of the BTC Pipeline and ancillary facilities. During project operations, a 58-metre wide pipeline protection zone will be established over the pipeline corridor. Land in this zone can continue to be used for most purposes but will be subject to some restrictions. The protection zone covers 2,537 hectares of land. Land impacts are summarised in Table 1.2.

Table 1.1 Summary of Project Affected Population within the 58m corridor in Azerbaijan

District	Project Affected Population (Number)										
	Land owners		Registered Users		Unregistered Users		Enterprises			Total Project Affected Population	
	HH	People	HH	People	HH	People	No. of enter-prises	No. of Workers	People (workers & families)	HH	People
Garadagh	-	-	2	7	-	-	3	8	28	10	35
Absheron	-	-	3	15	-	-	3	5	25	8	40
Hajjigabul	34	245	22	158	-	-	-	-	-	56	403
Agsu	-	-	4	25	-	-	-	-	-	4	25
Kurdemir	519	2,777	33	177	1	5	10	47	251	600	3,210
Ujar	170	923	-	-	-	-	-	-	-	170	923
Agdash	67	414	-	-	-	-	-	-	-	67	414
Yevlakh	289	1,627	20	113	-	-	2	8	45	317	1,785
Goranboy	674	3,471	24	124	5	26	2	52	270	755	3,890
Samukh	335	1,400	17	71	-	-	6	24	100	376	1,573
Shamkir	700	3,801	5	27	-	-	-	-	-	705	3,828
Tovuz	733	3,482	6	29	-	-	-	-	-	739	3,510
Akstafa	400	2,028	17	86	-	-	1	8	40	425	2,154
Total	3,921	20,168	153	831	6	31	27	152	759	4,232	21,790

Source: BTC Project Census, 2002. Number of affected people pro-rata-ed from household numbers using average household sizes for each district from the socio-economic survey.

Notes:

1. See Section 5.2 for an explanation of types of ownership and eligibility categories for compensation.
2. Over the last 12 months, the Land Acquisition Team has facilitated the majority of formerly unregistered users to achieve basic written agreements to cover their use of land. Their entitlements will be the same as registered users, so they have been counted as "registered users"
2. Number of affected households is derived from the project census. No. of people is estimated using the average household sizes for each district as revealed by the RAP socio-economic survey.

Table 1.2 Summary of Project Land Acquisition in Azerbaijan

District	Land to be Permanently Acquired for AGIs			Land to be Temporarily Used During Construction – 44 m corridor			Land to be subject to Restrictions of Use - 58-m pipeline protection zone		
	State	Municipal	Private	State	Municipal	Private	State	Municipal	Private
Garadagh	-	-	-	36.7	-	-	47.6	-	-
Absheron	0.11	-	-	83.1	-	-	113.7	-	-
Hajjigabul	0.23	0.12	-	204.4	32.1	33.8	266.0	41.4	44.5
Agsu	-	-	-	0.5	28.7	-	0.5	37.4	-
Kurdemir	3.10	0.24	-	53.1	51.3	93.6	68.5	66.3	121.9
Ujar	0.20	0.08	0.08	30.2	142.9	49.3	39.3	180.0	63.4
Agdash	-	-	-	17.8	67.5	23.9	22.8	81.8	30.7
Yevlakh	0.003	16.2	-	23.2	62.2	82.4	28.0	77.9	103.4
Goranboy	0.006	-	0.12	29.4	54.5	92.9	38.1	70.0	122.1
Samukh	0.20	0.03	0.16	54.2	15.3	53.3	71.1	17.9	69.5
Shamkir	-	3.1	0.23	1.5	61.8	109.0	1.7	74.5	142.4
Tovuz	-	0.01	0.38	11.9	45.1	85.7	14.6	57.8	112.2
Akstafa	0.31	0.62	0.11	90.8	76.0	72.1	115.7	99.8	94.2
Total	4.1	20.5	1.08	636.5	637.4	696.0	827.6	804.8	904.3
Grand Total	25.7			1969.8			2536.7		

Source: BTC Co. GIS database

1.7 VULNERABLE PEOPLE

A focus of RAP preparation has been the identification of vulnerable people and the design of targeted measures to mitigate any potential project impacts. Five principal vulnerable groups have been identified and thoroughly consulted. In some cases, these groups are vulnerable because they do not have any rights to land and are at risk of being displaced by others seeking to usurp their compensation entitlement (eg. informal land users, IDPs). In other cases, there may be particular physical or procedural difficulties that may hamper these groups' access to compensation (eg. families abandoned by husbands abroad). Principal vulnerable groups and mitigation measures targeted to assist them are summarised in the following table.

Table 1.3 Summary of Mitigation Measures for Vulnerable Groups in Azerbaijan

Vulnerable Group	Areas of Risk	Project Mitigation Measures
Employees of state livestock enterprises	No direct right to compensation, yet reliant on grazing land for their livelihood (in lieu of wages) At risk of being displaced where there is a prospect of compensation Often very poor	Additional census to specifically identify all directly affected livestock enterprise workers Use of triangular negotiation principle (enterprise director –LAT–enterprise workers) to agree compensation split. Hand to hand payment of compensation Monitoring for effectiveness of RAP measures
IDPs	Don't have right to own land Often reliant on informal agreements for shelter/ land use At risk of being displaced where there is a prospect of compensation Often very poor Limited social safety net	Identified in census Use of triangular negotiation principle (owner–LAT–IDP household head) to agree compensation split (where applicable) Hand to hand payment of compensation Monitoring for effectiveness of RAP measures Targeted measures for IDP involvement in the CIP and SIP
Informal Land Users	No legal entitlement to compensation under Azeri law	Project assistance to achieve registration or at least, to get written agreements with land owners Project will offer same compensation entitlements as to registered users, subject to reasonable verification of 2-year's use
Elderly couples or individuals	Reduced mobility may limit access to information, compensation collection, lodgement of complaints May be vulnerable to pressure from family / relatives to divert income to family needs at expense of subsistence Physically vulnerable to theft or intimidation	Elderly specifically identified in census. Where necessary, the project will support mobile teams to manage signing of agreements and hand-to-hand compensation payment at place of residence Project will encourage use of bank accounts Monitoring for effectiveness of RAP measures
Women-headed households abandoned by husbands, now living abroad	Potential difficulties in securing compensation (where husband is nominated as household head on land ownership papers)	As appropriate, the project will provide assistance to help women: (i) through their husbands, get Power of Attorney so that they can sign agreements and receive compensation in their husband's absence; or (ii) in case of missing husbands, assist women to apply to the District Court for appointment of a trustee (see Sect. 3.7). Project will ensure CIP provides equal opportunities for women Monitoring teams will be given gender awareness training and will include women members

Abbreviations: SIP: Social Investment Program CIP: Community Investment Program LAT: Land Acquisition Team IDP: Internally Displaced Person

A comprehensive RAP monitoring and reporting program has been designed and is being implemented to ensure that any unforeseen cases of hardship amongst vulnerable groups are identified early, and that any necessary corrective action is taken.

1.8 IMPLEMENTING ARRANGEMENTS IN AZERBAIJAN

The Project Sponsor, The Baku-Tbilisi-Ceyhan Pipeline Company (BTC Co.) is responsible for preparation and implementation of the RAP.

Under the BTC Host Government Agreement (HGA), the “State Authorities” (the Government, all of its branches and local authorities) are responsible for securing rights for BTC Co. to construct and operate a crude oil pipeline. Rights of ownership and use of land will be acquired by a designated State Authority and then sub-granted to BTC Co. by means of a registerable lease agreement. SCP will be developed under the SCP HGA, which places similar requirements on the Azerbaijan State to secure rights to land for the SCP participants to construct and operate a natural gas pipeline.

Under the BTC HGA, the Government is responsible for acquiring all the rights for land necessary for BTC Co. to construct and operate the pipeline. The State has convened a “Land Acquisition Team” that brings together the principal government agencies involved in land identification, survey, negotiation and compensation. This includes representatives from the Fuel and Energy Ministry, SOCAR, the State Land and Cartographic Committee, and affected district authorities, with support from BTC Co. Specific measures that have been introduced by the project to promote compliance with IFC/World Bank principles include:

- Establishment by the State of a BTC Pipeline “Project Execution Board” and “Working Group” to facilitate the smooth and timely implementation of a land acquisition process that conforms with the requirements and obligations as defined in World Bank Group’s involuntary resettlement policy, the project HGAs and applicable Azeri law.
- Early BTC Co. participation with the appropriate governmental personnel to promote the incorporation of World Bank involuntary resettlement principals during the design of processes for land acquisition, census, survey, loss assessment and compensation.
- Establishment by the State of a “Land Acquisition Team” to ensure there is consistency of approach, and commitment to conducting BTC Project land acquisition and compensation to World Bank Group standards.
- Provision at the project outset of two weeks intensive training to all Land Acquisition Team members and BTC Co. project personnel on the World Bank Group involuntary resettlement policy and principles, and to provide basic skills for consultation and liaison with affected people.

Detailed roles and responsibilities for land acquisition and RAP preparation activities are described in Chapter 10.

1.9 PROGRAM FOR IMPLEMENTATION IN AZERBAIJAN

Approximate timeframes for the principal resettlement planning, land acquisition and project implementation tasks in Azerbaijan are summarised in Figure 1.2.

Figure 1.2 Program for Implementation in Azerbaijan

ID	Task Name	2001		2002				2003				2004				2005			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Resettlement Action Plan Preparation and Implementation	[Green bar spanning all quarters]																	
2	Resettlement Monitoring	[Dashed line spanning all quarters]																	
3	Preliminary Disclosure of Resettlement Principles Pamphlet	[Green bar in Q2 2002]																	
4	Disclosure of "Guide to Land Acquisition and Compensation"	[Green bar in Q3 2002]																	
5	In-Country Disclosure of RAP	[Green bar in Q4 2002]																	
6	International Disclosure of RAP (IFI requirement)	[Green bar in Q1 2003]																	
7	Ongoing Consultation and Disclosure	[Green bar spanning Q2 2003 to Q4 2003]																	
8	Land Ownership Identification	[Yellow bar in Q1 2001]																	
9	Loss Assessment and Survey	[Yellow bar in Q2 2001]																	
10	Signing of MOUs with Project Affected Landowners, users and occupiers	[Yellow bar in Q3 2001]																	
11	Signing of Final Land Acquisition Agreements	[Yellow bar in Q4 2001]																	
12	Compensation Payment	[Yellow bar in Q1 2002]																	
13	Final Survey and Issue of Ownership Certificates	[Yellow bar in Q3 2002]																	
14	Pipeline Routing and Design	[Orange bar in Q1 2001]																	
15	Preparatory Civil Works & construction mobilization	[Orange bar in Q2 2001]																	
16	Pipeline and Ancillary Works Construction	[Orange bar in Q3 2001]																	
17	Land Reinstatement	[Orange bar in Q4 2001]																	
18	Testing and Commissioning	[Orange bar in Q1 2002]																	
19	Operations	[Cyan bar in Q2 2002]																	

1.10 PREPARATION OF THE AZERBAIJAN SECTION OF THE RAP

An international resettlement consultant working in close cooperation with the Land Acquisition Team prepared the RAP for Azerbaijan. In-country social assessment consultant, Synergetics, carried out resettlement-related socio-economic surveys.

This RAP was prepared between November 2001 and October 2002. Specific activities that were undertaken during RAP preparation included:

- Review of social impact assessment and baseline studies conducted for the BTC ESIA

- Field inspection and discussion with potentially affected communities in the BTC Pipeline corridor
- Review of the legislative and regulatory framework covering land acquisition and resettlement in Azerbaijan
- Review of project organizational arrangements for valuing land and assets, managing land acquisition and resettlement impacts
- Completion of a census of all project affected households and enterprises
- Socio-economic survey of a random sample of households of owners, users and occupiers affected by the project
- Discussions with representatives of executive authorities and village representatives along the pipeline route and in the vicinity of AGI and temporary facilities sites
- Prediction of project social impacts on different affected groups
- In consultation with the Land Acquisition Team, district executive authorities, State Land and Cartography Committee and Ministry of Agriculture, determination of appropriate mitigation measures and compensation entitlements
- Definition of project resettlement activities and implementing responsibilities
- Estimation of RAP costs and budgets; and finally
- Preparation of a RAP to document land acquisition, compensation and livelihood restoration activities for local and international disclosure

Full and thorough consultations were conducted with project-affected households and other affected groups throughout the resettlement planning process. These activities are reported in Chapter 7.

1.11 DISCLOSURE

For a detailed discussion of project public consultation and disclosure activities, reference should be made to Chapter 7. An ongoing program of consultation and disclosure addressing land acquisition and compensation activities was commenced as part of the local ESIA disclosure process in May 2002. The principle has been to disclose as much information as possible, as early as possible ahead of land acquisition commencing. Land compensation payments to affected people commenced in mid-March 2003 and will be completed by the end of June 2003. The first areas of land were occupied for construction at the end of April 2003.

The following local RAP disclosure activities have or will be implemented:

- In May 2002, 4000 copies of a 5-page local language summary of proposed resettlement, compensation and land acquisition activities were distributed to each affected village with avenues identified for affected people to provide feedback
- In June 2002, information was presented and discussions on land acquisition matters were held as part of the ESIA 'road show' public meetings
- In October 2002, a 20-page local language *Guide to Land Acquisition and Compensation* was distributed along the pipeline corridor (see Section 7.7)
- In December 2002, copies of the full Azerbaijan BTC Pipeline RAP will be exhibited in country
- The completed BTC RAP for all three countries will be disclosed nationally and in the World Bank InfoShop, Washington D.C., EBRD's Business Information Centre, London, and Resident Office, Baku and on the Project Sponsors' website for 120 days before lenders' Boards make a financing decision on the project (see Section 7.10)
- Community liaison officers, several based in districts along the pipeline, will provide ongoing information to project affected people and communities about project

progress and activities, and will also provide feedback from the communities to the BTC Management Team.

Box 2: Summary of Consultation and Disclosure Activities in Azerbaijan

1. Preliminary Land Acquisition Survey

- Conducted during the period January to May 2002
- Based on a 100m corridor centred on the pipeline route
- Carried out by Land Acquisition Team comprised of BTC Co. and Government representatives (SOCAR and SLCC)
- Identification and verification of all owners and users within the 100m corridor
- Documentation of crops, infrastructure and other assets upon the land parcels
- Verification of land parcel information provided by SLCC
- Clarification of registrations and title
- Memoranda of Understanding signed, documenting landowner/user concerns
- Discussions with landowners and users regarding project timeframe, basis for compensation, and land acquisition process

2. Meetings with District Governors

- Meetings held with District Governors and their representatives to outline the land acquisition process
- District authorities asked to disseminate information to villagers
- Districts established Valuation Commissions to set base compensation rates for land and crops

3. Social Impact Assessment Consultation

- Number of phases of consultation, starting in November 2000
- Objective was to consult with a sample of householders from each village who owned, used, or had rights to land on the pipeline corridor
- Additional consultation carried out as the route was refined
- The consultation team provided basic information about the project and the likely impacts (positive and negative)
- The consultation provided an opportunity for people to express their opinions and preferences regarding the project
- Meetings were also held with NGO groups in Baku and Ganja to specifically address social issues, including land. These workshops were held in October 2001.

4. Preliminary Disclosure of Resettlement Activities

- A 4 page summary of the Project land acquisition process was produced and distributed along the pipeline corridor
- Multiple copies of the leaflet were distributed with the ESIA summaries to every village within 2km of the pipeline corridor
- Feedback was invited

5. ESIA Disclosure

- Full ESIA with information on land acquisition and land impacts made available in selected Regional centres
- Non technical summary produced, simplifying the information presented in the ESIA
- Community Pamphlet prepared covering all issues of direct relevance to communities, including land
- Pamphlet and NTS delivered to every village within 2km of corridor
- Feedback forms provided for people to formally record their comments and concerns.

6. ESIA Roadshow

- 14 meetings held in 15 days
- 3 formal meetings in Baku with interest groups (NGOs, academics, BP Research and Monitoring Group)
- 3 formal public meetings held along route in Yevlakh, Ganja and Akstafa
- 9 less formal meetings held with villages adjacent to the pipeline corridor, with invite extended to surrounding villages
- One meeting held in each District crossed by pipeline
- 3 main issues raised in meetings were employment, community investment and land
- Comments on land included questions on basis for compensation, rates, restrictions, timing of impact, duration of impact, type of agreement, irrigation systems
- Answers to questions were as detailed as possible given the status of the project

7. Guide to Land Acquisition and Compensation

- A local language Guide to Land Acquisition and Compensation was issued to communities along the route
- Disclosed in all affected villages with invitation for feedback in early October 2002

8. RAP Disclosure

- Disclosed 4th Quarter 2002 in-country
- No actual occupation of land on corridor until April 2003
- Delivered and made available at key locations along the pipeline route and in Baku
- Available on the project website, and on CD
- Available in Azeri and English
- Disclosed in the World Bank InfoShop, EBRD Business Information for 120 days before lenders' Board consideration of the project

1.12 OTHER PROJECT SOCIAL AND ENVIRONMENTAL ASSESSMENT DOCUMENTS

This RAP is one of several documents that together comprise the Environmental and Social Impact Assessment for the BTC Pipeline project. Other documents are listed below:

- Environmental and Social Impact Assessment – Azerbaijan (Draft for disclosure)
- ESIA Non Technical Summary - Azerbaijan (Draft for disclosure)
- Framework Oil Spill Response Plan – Azerbaijan (Draft for disclosure)
- Environmental Risk Assessment – Azerbaijan (Draft for disclosure)
- Public Consultation and Disclosure Plan – Azerbaijan (Draft for disclosure)
- Contaminated Land Baseline Study - Azerbaijan
- The Baku-Tbilisi-Ceyhan Oil Pipeline - Community Information
- Baku-Tbilisi-Ceyhan Inter-Government Agreement (Azerbaijan-Georgia-Turkey)
- BTC Host Government Agreement, Government of Azerbaijan
- Baku-Tbilisi-Ceyhan Pipeline Regional Review

All the above documents can be accessed on: <http://www.caspiandevlopmentandexport.com/>

1.13 GLOSSARY⁵

The following terms are frequently referred to in the RAP. Their definitions are as follows:

Involuntary Resettlement	Resettlement is involuntary where it occurs without the informed consent of the displaced person or, if they give their consent without having the power to refuse resettlement. Resettlement refers to the economic and/or physical displacement of people.
Project affected person (PAP)	Any person who as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Vulnerable groups	People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. Vulnerable groups affected by the BTC Pipeline are a specific focus of this RAP.
Full Replacement Cost	Under World Bank/IFC requirements, the rate of compensation for lost assets must be calculated at full replacement cost, that is, the market value of the assets plus transaction costs. With regard to land and structures, IFC defines replacement costs as follows:

⁵ Definitions are derived from: International Finance Corporation. 2002. Handbook for Preparing a Resettlement Action Plan. Washington, DC.

**Full Replacement Cost
cont.**

- ***agricultural land***: the market value of land of equal productive use or potential located in the vicinity of the affected land, plus cost of preparation levels similar to or better than those of the affected land, plus the cost of any registration or transfer taxes.
- ***Household and public structures*** – the cost of purchasing or building a new structure with area and quality similar to better than those of the affected structure, or of repairing a partially affected structure, including labour and contractors' fees and any registration or transfer taxes.

In determining the replacement cost, depreciation of the asset and value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an asset.