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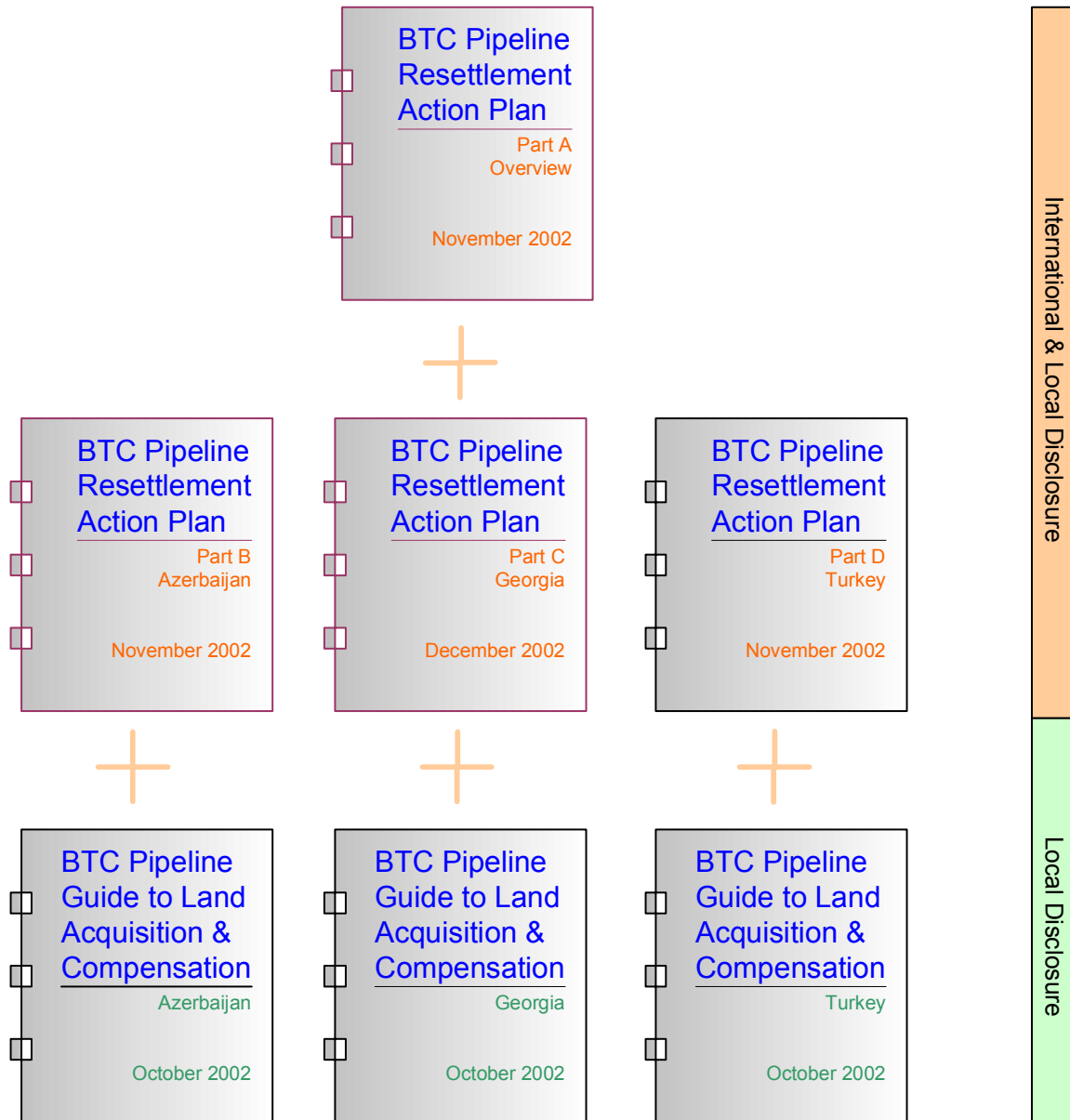
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Figure 1 Summary of Resettlement Action Plan Parts



1 INTRODUCTION

This *Baku-Tbilisi-Ceyhan Pipeline Resettlement Action Plan* (hereinafter referred to as the “RAP”) describes the framework and procedures that are being followed to address land acquisition, compensation and measures for restoration of livelihood for populations affected by construction of the Baku-Tbilisi-Ceyhan (BTC) Pipeline in three countries, namely Azerbaijan, Georgia and Turkey. The project will not entail any physical relocation of dwellings. The main impact will be temporary disruption of cropping and grazing activities during construction and some permanent utilization of land for above ground facilities. The RAP is in 4 parts:

- Part A Overview
- Part B Azerbaijan
- Part C Georgia
- Part D Turkey

This Part A Overview¹ provides a summary of land acquisition and resettlement arrangements for the overall project. Parts B, C and D describe in detail the land acquisition and compensation frameworks to be applied in Azerbaijan, Georgia and Turkey respectively. In addition to the core RAP documents (Parts A-D), a plain language *Guide to Land Acquisition and Compensation* was produced for each country and made available in locally accessible locations along the pipeline route. The documents that together comprise the BTC Pipeline RAP are illustrated in Figure 1.

The *Guides to Land Acquisition and Compensation* for each country were disclosed in October 2002. Country RAPs, consisting of this Part A Summary Overview together with the relevant country Part (eg. Part B for Azerbaijan, Part C for Georgia and Part D for Turkey), will be disclosed in each country for 60 days, commencing in early December 2002. The full BTC Pipeline RAP, consisting of a Part A Overview and Parts B, C and D, will be disclosed internationally and in-country for 120 days commencing in early 2003. For a summary of RAP, disclosure arrangements, reference should be made to Chapter 5 of this Summary Overview.

BTC Co. is currently negotiating finance with a number of international financial institutions such as the International Finance Corporation (IFC), part of the World Bank Group, the European Bank for Reconstruction and Development (EBRD) and various export credit agencies (ECAs). IFC will apply the World Bank Group’s *Operational Directive 4.30 Involuntary Resettlement (OD 4.30)* in reviewing the project for finance. Accordingly, BTC Co. has designed its RAP with the aim of complying with *OD 4.30*.

Uniform policies, principles and objectives have been used in formulating approaches to land acquisition and compensation across all three countries traversed by the BTC pipeline. Detailed

¹ This Part A Overview is a summary version for in-country release. An expanded Overview has been prepared for international disclosure and for release to prospective project lenders as a precursor to their loan consideration for the project. This will also be made available for in-country release as part of the overall BTC pipeline social and environmental assessment documentation due for disclosure in early 2003. See Chapter 5.

land acquisition and resettlement implementation arrangements in each country do, however, differ. Differences arise from many factors, but are primarily driven by the differing land laws and expropriation procedures available in each country, and also by the differing project roles and responsibilities defined for the government, and the Project Sponsor, under each country's Host Government Agreement (see Section 3.3).

Figure 2 BTC Pipeline Route



2 BRIEF DESCRIPTION OF THE PROJECT

2.1 PROJECT SYNOPSIS

The Baku-Tbilisi-Ceyhan (BTC) Pipeline will be a dedicated pipeline system to transport up to one million barrels per day (bpd) – 50 million tonnes per annum - of crude oil from the Sangachal Terminal near Baku in Azerbaijan, through Georgia to a new marine terminal at Ceyhan on the Mediterranean Coast in Turkey. Tankers will then ship the oil to international markets. The 1,760 kilometre pipeline is due to become operational in early 2005.

The BTC pipeline will be constructed and operated to international standards. It will be buried and will avoid the need for any physical displacement of houses or settlements, as it passes through Azerbaijan (442 kilometres), Georgia (248 kilometres) and Turkey (1,070 kilometres), as illustrated in Figure 2. Most agricultural and land based activities currently being carried out in the pipeline corridor, will be able to be resumed following construction completion, subject to some restrictions, and thus most impacts are temporary in nature.

The project has a design life of 40 years.

In addition to the BTC pipeline, the South Caucasus Pipeline (SCP) is being proposed to transport up to 7.3 billion cubic metres of gas per year from the Sangachal Terminal, through Georgia to the Georgian/Turkish border, for onward distribution to Turkish domestic customers. The SCP pipeline will be constructed parallel to the BTC pipeline through Azerbaijan and Georgia.

2.2 SUMMARY OF PROJECT IMPACTS

A summary of land owners, lessees and informal dwellers affected by temporary or permanent loss of land, assets, impairment of livelihood or restrictions of use is included in the Table 1. This approximates the total number of project affected households (see qualifying remarks in footnote 3). The BTC pipeline will affect an estimated 17,716 households. The majority of these households will be affected only for the nominal three year construction period. A much smaller number will experience permanent loss of use of land that is required for AGIs and related access roads.

Table 1 Summary of Project Affected Households

Category of Project Affected Households	Azerbaijan (58 metre corridor)²	Georgia (58 metre corridor)	Turkey (28 metre corridor)	Total
Land owners ³	3,921	3,110	5,970 + 3,017 <i>zilyet</i> ⁴	16,018
Lessees	153	257	1,080	1,490
Informal users	6	-	About 50	56
Enterprise workers ⁵	152	N/A	N/A	152
Total Affected Households	4,232	3,367⁶	10,117	17,716

² Land owner and lessee numbers for Azerbaijan and Georgia are based on the 58 metre wide corridor of land affected by restrictions of use, but which also encompasses the 44-metre wide construction corridor and 8-metre pipeline corridors.

³ In each of Azerbaijan, Georgia and Turkey, it is common for there to be multiple land owners listed on the title deed for a parcel of land. For the purposes of this table, the numbers shown best represents the number of land agreements that will be signed, and therefore roughly the number of households that will be affected. Some land parcels in Turkey have owners from more than one family, so there are cases where the project may impact on one land parcel but affect two or more households.

⁴ *Zilyet* rights are customary or usufruct rights, which are recognized as ownership rights where the user can demonstrate they have used the land for 20 years without any dispute or interference. These users have equal rights to land owners with title deeds, and will be compensated fully.

⁵ In Azerbaijan, some employees of state enterprises are reliant on grazing of private cattle in lieu of receiving wages. See RAP Part B Section 5.2.3.1 for further explanation.

⁶ This total does not take into account 438 parcels of land affected (all or in part) by pipeline construction that have been allocated to *sakrebulos*, and are often used communally for haymaking or pasture. It is not possible to accurately define the number of people affected by the project's use of this land. A RAP Fund has been established to provide for investment to offset livelihood losses experienced as a result of temporary loss of these communal resources.

Box 1 BTC Pipeline Project Statistics	
Source of Crude product	<ul style="list-style-type: none"> Azeri, Chirag and Gunashli Full Field Development, lying in the Caspian Sea offshore from Azerbaijan
Length of pipeline	<ul style="list-style-type: none"> 1760 kilometres total length, buried with a minimum of 1.0 metre cover to the top of the pipe Azerbaijan, 442 km Georgia, 248 km Turkey, 1070 km
Pipeline diameter	<ul style="list-style-type: none"> Azerbaijan 42" Georgia 46" Turkey 42" (46" on the border with Georgia and 34" for the last 120 km into Ceyhan)
Planned peak oil throughput AGIs	<ul style="list-style-type: none"> 50 million tonnes per year (approximately equivalent to 1 million bpd) 8 pump stations - Azerbaijan (2, one deferred); Georgia (2); Turkey (4) 13 pigging facilities 1 pressure reduction station (Turkey) 3 crude topping plants 98 valve stations (21 in Azerbaijan, 25 in Georgia and 52 in Turkey) 4 metering stations (one each in Azerbaijan and Georgia, 2 in Turkey)
Pipeline ROW widths	<ul style="list-style-type: none"> Construction right of way – 32 metre width (Azerbaijan and Georgia), 28 metres (Turkey) – less in sensitive areas, more at rivers and crossings 44 metre corridor for sequential use by BTC and SCP, if latter is sanctioned Operations – 8 metres over the pipeline
Pipeline Protection Zone (restrictions on use)	<ul style="list-style-type: none"> 58 metre wide protection zone (Azerbaijan & Georgia to cover both BTC and SCP pipelines, if latter is sanctioned) 7 metres on either side of pipeline (Health Protection Strip) in Turkey
BTC Marine Terminal at Ceyhan	<ul style="list-style-type: none"> Tank farm with 7 storage tanks (floating roof type) of maximum capacity 150,800 m³ each 2,562 metre long jetty Ship loading facilities (capacity – 60,000 barrels/hour) Capacity for vessels 80,000 – 300,000 dwt 350-400 ships per year (estimated)
Construction Schedule	<ul style="list-style-type: none"> Commence construction early 2003 for the BTC Terminal, Spring 2003 for the pipeline Commissioning late 2004 Commence operations early 2005 Design life 40 years for the pipeline
Employment	<ul style="list-style-type: none"> Construction approximately 2,300 jobs in Azerbaijan, 2,500 jobs in Georgia and 5,000 jobs in Turkey – total 9,800 (peak level) Operations approximately 250 jobs in Azerbaijan, 250 in Georgia and 350 in Turkey – total 850
Cost of Project	<ul style="list-style-type: none"> US\$ 2.9 billion

Land requirements for the project are summarised in Table 2.

Table 2 Summary of Project Land Requirements

Project Component	Land Area Required for the BTC Project (Hectares)							
	Azerbaijan		Georgia		Turkey		Total	
	Temporary use of land	Permanent use of land	Temporary use of land	Permanent use of land	Temporary use of land	Permanent use of land	Temporary use of land	Permanent use of land
Pipeline construction corridor	1,970	-	1,088	-	2,903	-	5,961	-
Construction camps, pipe yards	219	-	30	-	100	-	349	-
AGIs & access roads	-	26	-	70	-	101	-	197
Total	2,189	26	1,118	70	3,003	101	6,310	197

Land impacts in each country are summarised as follows.

In **Azerbaijan**, the only land that will be permanently acquired will be for AGIs and associated access roads (about 26 hectares in total). The remaining 2,189 hectares will be temporarily used only for the construction period of the BTC and SCP projects (nominally three years). It will be secured by the State through leases, and sub-granted to the projects for pipeline construction purposes. Ownership of this 2,189 hectares of land will remain vested with the existing land owners. After construction, land owners will be able to resume use of their land subject to some restrictions.

In **Georgia**, BTC Co. will purchase (obtain ownership rights) for the full 44-metre wide construction corridor as well as AGI sites and their access roads. With the exception of the 70 hectares required for AGIs and access roads, BTC Co. will allow ex-landowners (and long term lessees) to use their former land (the balance 1,118 hectares) free of charge, but subject to some restrictions of use.

In **Turkey**, the 8-metre wide pipeline corridor and land for AGIs and access roads will be purchased (ownership title). Land in the 28 metre construction corridor will be leased for the pipeline construction period. With the exception of the land required for AGIs and roads (about 101 hectares), land owners and users will be able to resume use of the remaining 3,003 hectares of land, subject to some restrictions of use.

Overall, 197 hectares of land will be permanently alienated from agricultural use. Existing owners and users will be able to resume most agricultural activities on the balance 6,310 hectares subject to some restrictions of use. Restrictions of use will apply to activities such as:

- Construction of buildings or livestock pens
- Storage of fodder, haystacks
- Ploughing deeper than 30 centimetres
- Fires and use of explosives
- Some types of tree planting

For more information on restrictions of use, and related arrangements for compensation in each country, please refer to:

Azerbaijan	Part B, Sections 2.8.2, 5.3.9 and 6.7
Georgia	Part C, Section 3.3.2, 5.4.9 and 6.5
Turkey	Part D, Section 2.9, 6.5 and Annex 2.1

For more information on project impacts in each country, please refer to:

Azerbaijan	Part B, Chapter 6
Georgia	Part C, Chapter 6
Turkey	Part D, Section 4.12, Chapter 6

2.3 PROJECT SPONSOR

The proposed Project is being developed by Baku-Tbilisi-Ceyhan Pipeline Company (BTC Co.) formed in July 2002. BTC Co.'s shareholders include:

- Azerbaijan (BTC) Limited
- Agip (BTC) Limited
- BP Pipelines (BTC) Limited
- Delta Hess (BTC) Limited
- ITOCHU Oil Exploration (BTC) Inc.
- Statoil BTC Caspian AS
- Turkish Petroleum BTC Ltd.
- Unocal BTC Pipeline, Ltd.

Sales and purchase agreements to acquire stock in BTC Co. have been signed by affiliates of TotalFinaElf, Inpex and Conoco Phillips. BP Exploration (Caspian Sea) Ltd (BP) is coordinating this stage of project development on behalf of BTC Co. BTC Co. is responsible for construction and operation of the proposed pipeline.

2.4 IMPLEMENTING ARRANGEMENTS IN EACH COUNTRY

Roles and responsibilities for land acquisition, compensation and livelihood restoration are different in each country. Roles are defined by the Host Government Agreements (HGAs) which legally establish the respective obligations of each participating government and BTC Co. BTC Co. has also involved independent NGOs in each country to provide third party verification of the fairness and transparency of land acquisition proceedings, and to assist project affected people to understand their rights and obligations, and provide advice during negotiations, where necessary. Arrangements in each country for the acquisition and grant of rights of land to BTC Co. are summarized as follows.

In **Azerbaijan**, the HGA obligates the "State Authorities" (the Government of Azerbaijan and all of its branches, including local authorities) to undertake all actions necessary for the acquisition and grant of rights to land to BTC Co., during the life of the project. For purposes of implementation, a Project Execution Board with representation from the Fuel and Energy Ministry, the State Oil Company of Azerbaijan Republic (SOCAR), the State Land and Cartography Committee, and BTC Co. has been formed to develop a framework and oversee the implementation of land acquisition and compensation. Rights to land for the BTC pipeline will be acquired by the State and granted to BTC Co. BTC Co. will be responsible for constructing and operating the pipeline, including reinstatement of land upon construction completion.

In Azerbaijan, BTC Co. will engage the services of an independent, national legal rights NGO, the Centre for Legal and Economic Education (CLEE), to assist project affected people to (i) get their land ownership papers in order, and in cases of missing or absentee land owners, to assist family or relatives to initiate legal procedures necessary for appointment of an administrator or establish powers of attorney; (ii) provide third party advice to affected people about their rights and obligations during land acquisition negotiations and agreement signings; and, (iii) during and after negotiations/agreement signings, to provide independent advice to affected people on any legal issues that might arise.

In **Georgia**, the HGA enables BTC Co. to directly make arrangements with private land owners to acquire the necessary rights to land for constructing and operating the pipeline, and, if necessary, to exercise the power of eminent domain to compulsorily acquire land. BTC Co. is responsible for notifying affected land owners, leaseholders, other users and occupiers, for establishing the framework for compensation and for negotiating agreements. The State Department of Land Management has assisted with land and ownership identification surveys, The State will make available State land, including *sakrebulo* managed lands. BTC Co. will be responsible for constructing and operating the pipeline, for livelihood restoration activities and for reinstatement of land upon construction completion.

In Georgia, BTC Co. has engaged the services of an independent, national land owners' rights advocacy NGO, Association for Protection of Land Owner's Rights (APLR), to undertake the following: (i) disseminate information about the project and gather feedback from affected people; (ii) formally notify project affected land owners, users and occupiers of the project's need to acquire their land and to brief them on the land acquisition and compensation framework and procedures; (iii) to distribute and gather feedback on BTC's *Guide to Land Acquisition and Compensation*; (iv) provide third party advice to affected people about their rights and obligations during land acquisition negotiations and agreement signings; and, (v) during and after negotiations/agreement signings, to provide independent advice to affected people on any land related issues.

In **Turkey**, BOTAŞ, the state-owned petroleum pipeline company, is responsible for acquiring land and constructing the Turkish section of the BTC pipeline pursuant to a Lump Sum Turnkey Contract (Turnkey Contract) between BOTAŞ and BTC Co. BOTAŞ has been authorised by the Turkish Government to be the Designated State Authority (DSA) for land acquisition, and it is the DSA's responsibility to acquire and grant land to BTC Co. BOTAŞ will operate the Turkish segment of the BTC pipeline after construction is completed, in accordance with an operating agreement between BTC Co and BOTAŞ. BTC Co. is responsible for overall monitoring of land acquisition and resettlement.

In Turkey, BTC Co. has engaged the services of an independent NGO specializing in land acquisition and resettlement issues, the Rural and Urban Development Foundation. The Rural and Urban Development Foundation was involved as independent auditor for the verification of the land and assets valuation methods to be used in Turkey. The Rural and Urban Development Foundation (RUDF) will also monitor negotiation meetings to help ensure the fairness and transparency of land acquisition proceedings. BTC Co. has also used the resources of the Turkish Marine Research Foundation (TUDAV) to undertake an assessment of potential project impacts on fishermen at Ceyhan and to assist with formulation of livelihood restoration measures.

For more information for implementing arrangements in each country, please refer to:

Azerbaijan	Part B, Chapters 5 and 10
Georgia	Part C, Chapter 5
Turkey	Part D, Chapter 5

3 POLICY & LEGISLATIVE FRAMEWORK

3.1 GENERAL

BTC project obligations concerning land acquisition and involuntary resettlement are defined by the following instruments:

- Inter Government Agreements
- BTC Host Government Agreements for each country
- National legislation and regulations
- Policies and guidelines of the World Bank Group and International Finance Corporation (IFC)

These are briefly described in the following sections.

3.2 INTERGOVERNMENTAL AGREEMENT

The Intergovernmental Agreement (IGA) between the Governments of the Republic of Azerbaijan, Georgia and the Republic Of Turkey was signed on 18 November 1999. The IGA establishes the basis for the transport of petroleum from the Caspian Sea, through the territories of Azerbaijan, Georgia, and Turkey, through realization of an export pipeline. It confers on the legal and commercial terms of the project the status of international law. The full text of the Intergovernmental Agreement can be viewed on the project web site (<http://www.caspiandevlopmentandexport.com/>).

3.3 HOST GOVERNMENT AGREEMENTS

Host Government Agreements (HGAs) were signed by each of the Governments with the BTC owners as private law contracts as an integral part of the IGA, and thereby became a part of each countries legal system prevailing over domestic laws other than the Constitution, and acts adopted by referenda. The HGAs are also contracts that govern the conduct of both of the respective Governments of Azerbaijan, Georgia and Turkey, and BTC Co. The HGAs set out the specific procedures and requirements to be followed during project implementation in each country and as such establish the legal regime for the project. The Host Government Agreements for each country can be viewed on the project web site. For a commentary on the implications of the HGAs for project land acquisition and compensation, reference should be made to the following sections of this RAP:

For more information on HGAs for each country, please refer to:

Azerbaijan	Part B, Section 3.4
Georgia	Part C, Section 3.2
Turkey	Part D, Section 3.3

3.4 COUNTRY LEGISLATIVE FRAMEWORKS (OTHER THAN HGAS)

Each transit country has its own legislative and regulatory framework that governs the detailed requirements and procedures to be followed for acquiring rights to land, exercising powers of eminent domain, valuing land and assets, entitlement to compensation and mechanisms for dispute resolution. Legislative frameworks applying in each country are described in Chapter 3 of Parts B, C and D, together with measures the project will implement to cover any differences between country legislative requirements and standards defined in the World Bank Group's *OD 4.30*.

For more detail on the legislative frameworks applying in each country, please refer to:

Azerbaijan	Part B, Section 3.2
Georgia	Part C, Section 3.3
Turkey	Part D, Section 3.2

3.5 WORLD BANK GROUP / IFC INVOLUNTARY RESETTLEMENT POLICIES AND GUIDELINES

As noted in Section 3.1, BTC Co. is aiming to comply with the policies and guidelines of the World Bank Group for the purposes of the proposed BTC project financing. In preparing the BTC RAP, the following documents have been referred to:

Table 3 World Bank Group / IFC Policy and Guidelines Referred to for Project RAP Preparation

Policy or Guideline Document	Application to the BTC Pipeline Project
<i>OD 4.30 Involuntary Resettlement</i>	Defines objectives, principles and recommends procedures to be followed for resettlement.
International Finance Corporation " <i>Handbook for Preparing A Resettlement Action Plan</i> "	Provides guidance on preparing RAPs for private sector projects
International Finance Corporation Good Practice Manual " <i>Doing Better Business through Effective Public Consultation and Disclosure</i> "	Recommends procedures and good practice for public consultation and information disclosure

IFC has advised that World Bank OD 4.20 Indigenous Peoples Policy will not be applicable in the context of the BTC pipeline. Various NGOs have asserted that Kurdish communities near the pipeline route in Turkey do fall within the ambit of OD 4.20. IFC (in consultation with the World Bank) has determined that the project does not affect any groups or communities that would fall under the definition of the World Bank's Indigenous Peoples Policy (OD 4.20).

Although the Kurds constitute an ethnic minority with distinct language and dialects in a complex socio-political environment, the group does not meet key characteristics of indigenous people as defined in World Bank's OD 4.20. In particular, project affected Kurdish communities are not:

- (i) primarily involved with subsistence orientated production;

- (ii) reliant/dependent on local natural resources; and
- (iii) isolated or disconnected from larger socio-economic structures of the area..

3.5.1 OD 4.30 Involuntary Resettlement

This directive describes the World Bank Group/IFC's policy and procedures on involuntary resettlement and also sets out the conditions that sponsors are expected to meet in projects involving displacement of communities. *OD 4.30* has sections outlining policy objectives, the resettlement planning process and documentation requirements for resettlement projects. The discussion below is a summary only and is qualified by reference to the full text of *OD 4.30*.

Under the Policy Objective section (para. 3), the directive sets out six major topics of consideration to be taken into account during project preparation and design:

Avoidance or minimization of involuntary resettlement (clause 3a) - establishes that wherever feasible, involuntary resettlement should be avoided or minimized. Project design should explore all viable project alternatives to reduce the need for resettlement.

Compensation at full replacement cost and restoration of living standards and livelihood (clause 3b) - indicates that where resettlement is unavoidable, resettlement plans should be developed. This should result in displaced persons being (i) compensated for their losses at full replacement cost prior to the actual move; (ii) assisted with the move and supported during the transition period; and, (iii) assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them.

Community participation in the planning process (clause 3c) - advocates that community participation should be an integral part of planning and implementing resettlement. Wherever possible existing social and cultural institutions of the resettlers and their hosts should be used to the greatest possible extent.

Integration with host communities (clause 3d) - establishes that resettlers should be integrated socially and economically into their host communities so that impacts on host communities are minimized.

Absence of legal title to land should not be a bar to compensation (clause 3e) - states that land, housing infrastructure and other compensation should be provided to adversely affected populations, ethnic minorities, and pastoralists with customary rights to the land or other resources to be taken by the project. Absence of legal title to land by such groups should not be a bar to compensation.

The needs of vulnerable groups such as the very poor, landless, ethnic minorities and women are singled out as requiring special attention during project consultation and in designing resettlement, and livelihood restoration measures (clauses 3b, 8, 16). This RAP has particularly focused on identifying the vulnerable groups that may be affected by the project in each country, and in defining measures to safeguard their standards of living and income levels during the course of the project. BTC Co. will also be proactive in ensuring that these groups have the opportunity to participate in Community Investment Programs within each country, and thereby having access to project benefits.

For more information on vulnerable groups in each country, please refer to:

Azerbaijan	Part B, Sections 1.7, 4.12, 5.2.3 and 6.21
Georgia	Part C, Section 4.8
Turkey	Part D, Annex 4.5

The principle expressed in clause 3(b), that project affected people should be assisted “*to improve their former living standards, income earning capacity and production levels*” or “*...at least to restore them*” is a crucial tenet of the World Bank’s policy. Further, the directive emphasizes the need to not only compensate for loss of assets, but to re-establish the economic base and livelihood of affected people as part of the resettlement process. For people displaced from agricultural settings, the policy recommends that land-based strategies are the preferred basis for compensation, or if suitable land is unavailable, strategies should be developed around opportunities for employment or self-employment.

3.5.2 IFC Good Practice Manual on Public Consultation and Disclosure

The IFC has published guidelines for private sector developers on disclosing information and consulting with the public. Key principles established by the guidelines include:

- Information about the project should be disclosed as early as possible
- Disclosure of project environmental and social information should be an integral part of the public consultation process, with information being provided about both benefits and disadvantages of the project
- Information should be clearly presented in appropriate local languages and dialects and in modes that are sensitive to local communities
- Information should be disclosed in locations that are open to the public and that are readily accessible to project affected people.

BTC Co. has used the IFC *Good Practice Manual on Public Consultation and Disclosure* as a key resource in formulating consultation and disclosure strategies for the ESIA and this RAP (see Chapter 5).

3.5.3 Project Measures Relating to Compliance with World Bank Group / IFC Policy Standards

Based on the analysis of the legislative framework in each country, any differences between country legislative requirements and World Bank Group/IFC standards were noted. Where necessary, additional project measures necessary to ensure consistency with World Bank Group standards have been identified. Reference should be made to the following sections in the body of the RAP.

For more detail on measures to provide consistency with World Bank Group standards in each country, please refer to:

Azerbaijan	Part B, Section 3.5 and 3.6
Georgia	Part C, Section 3.4 and 3.5
Turkey	Part D, Section 3.4 and 3.5

In **Georgia** and **Turkey**, a key mechanism initiated by BTC Co. to address gaps between local legislation and World Bank Group principles has been the establishment of the ‘RAP Funds’. RAP funds will be used in situations where local law does not provide for compensation, such as in cases where the project impacts on communally used resources such as forests⁷ where,

⁷ Some communities in Turkey and Georgia utilize adjacent state forests for gathering firewood, timber, operating beehives and other activities such as gathering herbs and fungi. Such communities will experience some loss of resource, even though any compensation will be due to the state. Under World Bank OD 4.30, such losses must be compensated for.

otherwise, there would be no avenue for people to be compensated. Overall principles for application of the RAP Funds have been established, but detailed principles and *modus operandi* for their implementation are still being developed. The funds will however be operated along similar lines to BTC Co. Community Investment Programs, though the RAP funds will be specifically targeted at mitigating project impacts and restoring livelihood of people directly affected by the pipeline construction. The aim of the Community Investment Program is to ensure that communities derive benefits from the project development and the opportunities that it will present. The two programs (the RAP Fund and Community Investment Program) will complement one another and will develop synergies in ensuring that the Project has a positive impact on project affected people along the pipeline route and at the BTC Marine Terminal. The RAP Funds in Turkey and Georgia have budgets of USD 2.0 million and USD 90,000 respectively.

In Azerbaijan, there has been no need to establish as a RAP Fund, as the government has agreed to compensate in accordance with World Bank principles, even in cases where these exceed requirements under Azeri law. In Azerbaijan, very limited forest areas are affected by the project, and these are not generally utilised by local communities.

For more information RAP Funds and activities to be financed, please refer to:

Georgia	Part C, Section 5.4
Turkey	Part D, Section 5.5.2

4 RAP PRINCIPLES AND OBJECTIVES

In order to ensure that the interests and needs of project affected people are addressed, preparation of this RAP considered the following:

The overall goal for the projects' land acquisition and resettlement is as follows:

To ensure that people and enterprises affected by the projects are compensated in accordance with good international practice and have the opportunity to fully restore or improve their living standards and income earning capacity to at least pre-project levels

This goal will be realised through meeting the following objectives. The project undertakes to:

1. Avoid physical relocation of people and their dwellings
2. Minimize impacts on productive land and peoples' livelihoods
3. Undertake land acquisition through negotiation with affected landowners, users, and occupiers thereby to avoid the need to exercise powers of eminent domain.
4. Pay fair compensation based on market value, full replacement cost or loss of income, as the case may be, for (i) temporary use of land for construction purposes; (ii) permanent acquisition of land; (iv) any loss of immovable assets; (v) any loss of livelihood; and, (iii) any restrictions on use that may limit productivity of land on areas adjoining the pipeline corridor and AGIs.
5. Carry out project land acquisition and resettlement in accordance with the laws and regulations of the transited countries, including the applicable Host Government Agreements, and in accordance with World Bank/International Finance Corporation (IFC) policies and guidelines on involuntary resettlement.
6. So far as possible, and subject to such restrictions on use as may be necessary to ensure public safety and integrity of the pipeline, to allow land owners and users to resume their pre-project agricultural activities on project affected land following construction completion.
7. Pay particular attention to vulnerable and disadvantaged groups including those without formal title to land, and where necessary to proactively implement measures to ensure they are not further disadvantaged by the project.
8. To fully disclose the RAPs and to conduct ongoing full and thorough consultation with affected people during the land acquisition and reinstatement process and afterwards.
9. To provide straightforward avenues for people to lodge a complaint about the project and obtain redress.
10. Monitor the full and effective implementation of the RAP.
11. Wherever possible, explore avenues for affected people to participate and benefit from the project's construction and operations.

5 CONSULTATION AND DISCLOSURE

A key step in World Bank / IFC policies⁸ relating to resettlement, land acquisition and compensation is preparing a framework for public consultation, participation, and the establishment of a process to redress the grievances of affected people. Consultation with the affected population and with officials of local government, civil society and other representatives of the affected population is essential for gaining a comprehensive understanding of the types and degrees of adverse effects

On a practical level, the sponsor has to ensure that:

- All stakeholders have access to project information;
- The information provided can be understood;
- The locations for consultation are accessible to all who want to attend; and
- Measures are put in place, which ensure that vulnerable or minority groups are consulted.

During RAP preparation, procedures have been put in place in each country for:

- Identifying stakeholders and ensuring there are adequate mechanisms for stakeholder feedback and information sharing
- Informing representatives of affected people – local government, village leaders and local community organizations – of the project plan and asking them to inform their constituents and informing the directly affected populations;
- Briefing all project line managers and staff who will interact with affected people on the anticipated effects of the project and measures to mitigate its impacts;
- Arranging for governments to issue formal notice (after completion of a census and dissemination of a public notice on the eligibility cut-off date) to prevent the construction of new buildings or capital improvements in areas to be affected by the project;
- Preparing an illustrated information booklet with details on eligibility, rates of compensation and other entitlements, a timetable for implementation, and all applicable grievance procedures;
- Getting feedback on RAP implementation for each sub-group of affected groups and communities;
- Launching participatory monitoring and evaluation processes; and
- Preparing and issuing regular RAP information updates.

Project consultation in all three countries has been thorough and is ongoing. Consultation and disclosure activities have been intensive during the 12-month RAP preparation period and have involved one on one meetings, household surveys, focus groups and public meetings and hearings covering many thousands of stakeholders and project affected people, as well as in-country distribution of resettlement principles pamphlets and the *Guide to Land Acquisition and Compensation*. Activities will continue in the lead up to land negotiations, in the period prior to land being occupied by the construction contractor. BTC Co. has established well resourced community liaison teams in each country, has explicit grievance procedures and will conduct participatory monitoring throughout the duration of construction and livelihood restoration periods. Findings of six-monthly third party monitoring reviews of project resettlement and livelihood restoration will be made publicly available. The types of consultation and activity that have been undertaken in each country are summarised in Box 2.

⁸ The IFC's manual '*Doing Better Business Through Effective Public Consultation and Disclosure: A Good Practice Manual*' provides action oriented guidelines aimed at ensuring that consultation is both effective and relevant.

For more information on country-specific consultation and disclosure activities, please refer to:

Azerbaijan	Part B, Chapter 7
Georgia	Part C, Chapter 7
Turkey	Part D, Chapter 7

Box 2 Types of Consultation & Disclosure Activity Undertaken in Each Country

Stakeholder Identification & Analysis

- Identification of project stakeholders
- Analysis to identify key stakeholders critical to a successful project outcome
- Preparation of a preliminary stakeholder consultation strategy (later formalised into a PCDP)
- Training to project staff & lands teams on World Bank involuntary resettlement principles, basic consultation techniques & dispute resolution

Introductory Meetings & Gathering of Feedback from State, Provincial & Local Government

- Presentation of preliminary information about the project, land requirements, procedures & program
- Gathering of feedback from government officers & officials on issues & suggestions

Village Level Social Impact Assessment Consultations

- Meetings with village heads, key informants & villages in affected communities along the route
- Presentation of project information including likely impacts (positive & negative)
- EIA / ESIA socio-economic baseline survey

Civil Society Consultations

- Meetings held with broad cross section of local & national NGOs with specific discussion on land & compensation related issues

Preparation of Preliminary Consultation & Disclosure Plans (PCDP)

- Based on outcomes of stakeholder consultations, preparation of a PCDP for each country

Land Identification Survey & RAP Census

- Land & survey teams interacted with project affected people during the course of land parcel identification surveys, census of affected people for the 100 metre & 44 metre corridors.
- Land teams have proved an important vehicle for distributing project information & reporting feedback & concerns from project affected people.

RAP Socio-Economic Surveys

- Household socio-economic surveys with project affected owner & user households
- Questions seeking households preferences on aspects of project execution & community assistance
- Follow-up consultations with vulnerable & other special groups
- Identification of socio-economic baseline conditions & project impacts

EIA / ESIA Disclosure & Road Show

- Meetings in project affected communities, regional centres with discussion of land related impacts
- Meetings with NGOs, academic & research institutions
- Release of a 5-page Resettlement Principles pamphlet (all countries in May 2002) to all pipeline villages
- Extensive discussion on land & compensation issues in all countries
- Written & verbal feedback invited & received (see consultation logs for each country)

Guide to Land Acquisition & Compensation Disclosure (see Table 5.1 for details)

- Plain language, explanatory brochures prepared for each of Azerbaijan, Georgia & Turkey
- Disclosed in October 2002 in all countries
- Total of about 40,000 brochures distributed
- Delivered to all affected villages, regional centres & key NGO groups (Azerbaijan, Georgia) & all project affected households (in Turkey) along the pipeline route
- Feedback invited through written submissions & gathered verbally through survey & land acquisition teams in the field

RAP In-Country Disclosure (see Table 5.1 for details)

International RAP Disclosure (see also Table 5.1 for details)

Ongoing Information Dissemination & Disclosure

- Community preparation meetings ahead of construction contractor land occupation
- Community liaison by contractor & BTC Co. Community Liaison Officers
- Grievance processing & redress
- Ongoing information dissemination about employment, community investment programs & other project developments

Table 4 Summary of International and In-Country and Disclosure

Disclosure Type		In-Country			International
		Azerbaijan	Georgia	Turkey	
Guide to Land Acquisition and Compensation (GLAC)	Documents	GLAC – Azerbaijan (Azeri language)	GLAC – Georgia (Russian and Georgian language) ⁹	GLAC – Turkey (Turkish language) ⁹	Not applicable
	Locations	All villages along the BTC pipeline route, regional centres, key government ministries, NGOs, project website and Information Centres	All villages along the BTC pipeline route, regional centres, key government ministries, NGOs, project website and Information Centres. Land owners rights NGO national newspaper.	All villages along the BTC pipeline route, regional centres, key government ministries, NGOs, project website and Information Centres	
	Duration	60 days before finalization of land acquisition			
In-Country RAP Disclosure	Documents	BTC RAP Parts A & B (English and Azeri language) ⁹	BTC RAP Parts A & C (English, Georgian, Russian language) ⁹	BTC RAP Parts A & D (Turkish language) ⁹	
	Locations	Executive Offices of all Districts along the pipeline route, with additional copies in 10 locations in Baku (libraries, NGO resource centres, key government ministries), project web site	Regional Land Department offices (2 no.) and District Lands Departments (7 no.) along the pipeline route, with additional copies in locations in Tbilisi (libraries, NGO resource centres), project web site	Ministry of Energy, Office of Provincial Governors (10), Offices of District Governors (32), national universities (10), regional universities (7), national libraries (3), project web site	
	Duration	60 days			
International and In-Country 3-Country	Documents	BTC RAP Parts A, B, C and D (Part A Overview in Azeri, Georgian and Turkish; Parts B, C and D in English)			BTC RAP Parts A, B, C, D (English Language)

⁹ Practical measures are also being taken to ensure that communication with all project affected households takes place in a language that household members are familiar with and fully comprehend. Measures being taken vary from country to country, but include involvement of members that speak minority languages in land acquisition and community liaison teams; and, use of local interpreters where needed.

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Disclosure Type		In-Country			International
		Azerbaijan	Georgia	Turkey	
RAP Disclosure	Locations	Regional centres, Baku project information centre, libraries, project website	Regional centres, Tbilisi project information centre, libraries, project web site	Regional centres, project information centres, project website	World Bank InfoShop, EBRD's Business Information Centre London & EBRD's Resident Office Baku
	Duration	120 days prior to lenders' Boards' consideration of project finance (in-country and internationally)			

6 RAP COSTS AND BUDGET

World Bank / IFC guidelines indicate that project sponsors should ensure that the costs of all RAP activities are carefully estimated and included in a detailed RAP budget. A summary budget for land acquisition and RAP costs for the BTC pipeline project is presented in Table 5. More detailed cost estimates and budgets can be found in Parts B, C, and D of this BTC Pipeline RAP.

Table 5 Budget for BTC Pipeline Land Acquisition and RAP Activities

Item	Budget (USD)		
	Azerbaijan	Georgia	Turkey
Compensation (includes compensation for permanent land acquisition, temporary land use, loss of income from crops/grazing land, temporary loss of access, restrictions of use, lost structures and land attachments, agricultural land reinstatement, road and infrastructure reinstatement – as defined in RAP Parts B,C and D)	14,327,000	8,600,000	79,700,000
Land Transfer, Notarization and Other Transaction Costs (includes bank fees, notarization costs, registration fees, valuation and court costs, other transaction costs payable by the project)	400,000	295,000	7,164,000 ¹⁰
Monitoring and Evaluation (includes BTC Co. and third party monitoring)	350,000	350,000	460,000
Community Development (includes community investment programs, RAP Fund, as applicable in each country)	6,000,000 (over 3 years)	6,100,000 (over 3 years)	8,000,000 (over 3 years)
Administration and Management (includes staff salaries, office and administration cost, transportation, consulting costs, legal costs, etc.)	2,900,000 (Budget for BTC construction period only)	2,400,000 (Budget for BTC construction period only)	5,746,000
Contingency (an allowance allocated for unforeseen costs)	1,054,000	537,000	6,390,000
Country Totals	25,031,000	18,282,000	107,460,000
Grand Total	150,773,000		

¹⁰ Includes application fees, advertising and notification costs and valuation fees for resolution of 'customary ownership' cases and private 'non-agreement cases'.

7 PROGRAM FOR IMPLEMENTATION

The program for project implementation is summarised in Figure 3. Resettlement planning commenced in the second half of 2001 and the RAP was finalised late in 2002. For detailed schedules of land acquisition and resettlement activities within each country, reference should be made to Part B, C and D.

Figure 3 Schedule for Implementation

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 Planning and Implementation	[Yellow bar spanning from Q3 2001 to Q4 2005]																	
2	RAP Preparation	[Yellow bar from Q3 2001 to Q2 2002]																	
3	Disclosure of RAP Principles Pamphlet	[Yellow bar from Q4 2001 to Q1 2002]																	
4	Guide to Land Acquisition and Compensation/ In-country RAP disclosure	[Yellow bar from Q3 2002 to Q4 2002]																	
5	International RAP Disclosure	[Yellow bar from Q1 2003 to Q2 2003]																	
6	Monitoring and Evaluation	[Yellow bar from Q3 2002 to Q4 2005]																	
7	Ongoing Consultation and Disclosure	[Yellow bar from Q3 2001 to Q4 2005]																	
8	Azerbaijan Section Pipeline Construction	[Orange bar spanning from Q3 2001 to Q4 2005]																	
9	Pipeline routing, design and tendering	[Orange bar from Q3 2001 to Q2 2002]																	
10	Land acquisition	[Orange bar from Q3 2002 to Q4 2002]																	
11	Pipeline and AGI construction	[Orange bar from Q1 2003 to Q2 2003]																	
12	Testing and Commissioning	[Orange bar from Q3 2004 to Q4 2004]																	
13	Operations and maintenance	[Orange bar from Q3 2005 to Q4 2005]																	
14	Georgia Section Pipeline Construction	[Brown bar spanning from Q3 2001 to Q4 2005]																	
15	Pipeline routing, design and tendering	[Brown bar from Q3 2001 to Q2 2002]																	
16	Land acquisition	[Brown bar from Q3 2002 to Q4 2002]																	
17	Pipeline and AGI construction	[Brown bar from Q1 2003 to Q2 2003]																	
18	Testing and Commissioning	[Brown bar from Q3 2004 to Q4 2004]																	
19	Operations and Maintenance	[Brown bar from Q3 2005 to Q4 2005]																	
20	Turkey Pipeline Construction	[Blue bar spanning from Q3 2001 to Q4 2005]																	
21	Pipeline routing, design and tendering	[Blue bar from Q3 2001 to Q2 2002]																	
22	Land acquisition	[Blue bar from Q3 2002 to Q4 2002]																	
23	Marine terminal construction	[Blue bar from Q1 2003 to Q2 2003]																	
24	Pipeline and AGI construction	[Blue bar from Q1 2003 to Q2 2003]																	
25	Testing and Commissioning	[Blue bar from Q3 2004 to Q4 2004]																	
26	Operations and Maintenance	[Blue bar from Q3 2005 to Q4 2005]																	

8 OTHER RELEVANT STUDIES AND REPORTS

The BTC Pipeline RAP is one of a number of documents that together comprise the social and environmental assessment for the project. Other relevant studies and reports are summarised in Table 6. All these documents can be accessed on the project website which is at: <http://www.caspiandevlopmentandexport.com/>

Table 6 Summary of Some Other Relevant Project Social and Environmental Assessment Documents

Overall Project	Azerbaijan	Georgia	Turkey	Azeri, Chirag Gunashli Phase 1 ¹¹
<ul style="list-style-type: none"> ▪ Baku-Tbilisi-Ceyhan Inter-Government Agreement (Azerbaijan-Georgia-Turkey) ▪ BTC Environmental and Social Overview ▪ BTC Pipeline Resettlement Action Plan ▪ Environmental, Social and Economic Review of Azeri, Chirag & Gunashli Full Field Development and Export in the Regional Context 	<ul style="list-style-type: none"> ▪ BTC Host Government Agreement, Government of Azerbaijan ▪ 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 	<ul style="list-style-type: none"> ▪ BTC Host Government Agreement, Government of Georgia ▪ Environmental and Social Impact Assessment – Georgia (Draft for disclosure) ▪ ESIA Non Technical Summary - Georgia (Draft for disclosure) ▪ Framework Oil Spill Response Plan – Georgia (Draft for disclosure) ▪ Environmental Risk Assessment – Georgia (Draft for disclosure) ▪ Public Consultation and Disclosure Plan – Georgia (Draft for disclosure) ▪ Contaminated Land Baseline Study - Georgia ▪ The Baku-Tbilisi-Ceyhan Oil Pipeline - Community Information 	<ul style="list-style-type: none"> ▪ BTC Host Government Agreement, Government of Turkey ▪ Environmental Impact Assessment – Turkey (MoE approved Oct 02) ▪ ESIA Non Technical Summary - Turkey (MoE approved Oct 02) ▪ Framework Oil Spill Response Plan – Turkey (MoE approved Oct 02) ▪ Environmental Risk Assessment – Turkey (MoE approved Oct 02) ▪ Public Consultation and Disclosure Plan – Turkey (MoE approved Oct 02) ▪ Contaminated Land Baseline Study - Turkey ▪ The Baku-Tbilisi-Ceyhan Oil Pipeline - Community Information 	<ul style="list-style-type: none"> ▪ ACG Full Field Development Phase 1 Environmental & Social Impact Assessment (Draft for disclosure) ▪ Environmental and Social Impact Assessment ACG Early Civil Engineering Work Program (Draft for disclosure) ▪ ACG Full Field Development Phase 1 Public Consultation and Disclosure Plan (Draft for disclosure) ▪ Environmental and Social Impact Assessment ACG Regional Seismic (Draft for disclosure) ▪ Environmental and Social Impact Assessment ACG Early Template Well (Draft for disclosure) ▪ ACG Full Field Development Phase 1 Framework Oil Spill Response Plan (Draft for disclosure)

¹¹ ACG Phase 1 is being undertaken by different sponsors to the BTC pipeline. ACG Phase 1 encompasses expansion of the Sangachal Terminal and Phase 1 of the ACG offshore oil field development. Social and environmental assessment documents for ACG Phase 1 are being disclosed concurrently with the BTC pipeline as they form the upstream component of the BTC project.

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Overall Project	Azerbaijan	Georgia	Turkey	Azeri, Chirag Gunashli Phase 1 ^{fl}
	<ul style="list-style-type: none"> ▪ Guide to Land Acquisition and Compensation – Azerbaijan 	<ul style="list-style-type: none"> ▪ Guide to Land Acquisition and Compensation - Georgia 	<ul style="list-style-type: none"> ▪ Guide to Land Acquisition and Compensation - Turkey 	<ul style="list-style-type: none"> ▪ Environmental, Social and Economic Review of ACG Full Field Development and Export in the Regional Context, (Pending) ▪ Sangachal Terminal and Offshore Works Resettlement Action Plan, December 2002