

5 LAND ACQUISITION PROCEDURES

5.1 GENERAL

This chapter describes the procedures for acquiring land, valuing compensation for land and assets and for the payment of compensation. As stated in Executive Summary, in the majority of cases, procedures are dictated by the Turkish Expropriation Law, and hence the term “expropriation” is used.

5.1.1 Land Acquisition Requirements

As discussed in Chapter 2, the Project requires temporary and permanent acquisition of lands. The detailed land requirements are discussed below.

5.1.1.1 Permanent Land

Permanent land is the land to be acquired throughout the expected life of the Project along the pipeline route and the facility sites such as pump stations, metering stations, block valve stations, anode ground beds, power line pylons, permanent access roads to the facilities and the marine terminal.

The permanent land also comprises the 8 metre wide corridor in which the pipeline will be installed over the entire length of the pipeline route and all other areas for the installation of stations and facilities as mentioned above and according to the area requirements as elaborated during the design of the Project.

All permanent land is subject to expropriation and title deed registration in the name of BOTA^a with subsequent granting of all rights of use, possession and control to BTC Co. as provided in the Host Government Agreement (HGA). In forest areas and at crossings with watercourses or other infrastructure installations where this title deed transfer and registry is not possible, separate contracts or protocols will be established in order to secure the relevant rights as laid down in the HGA.

5.1.1.2 Temporary Land

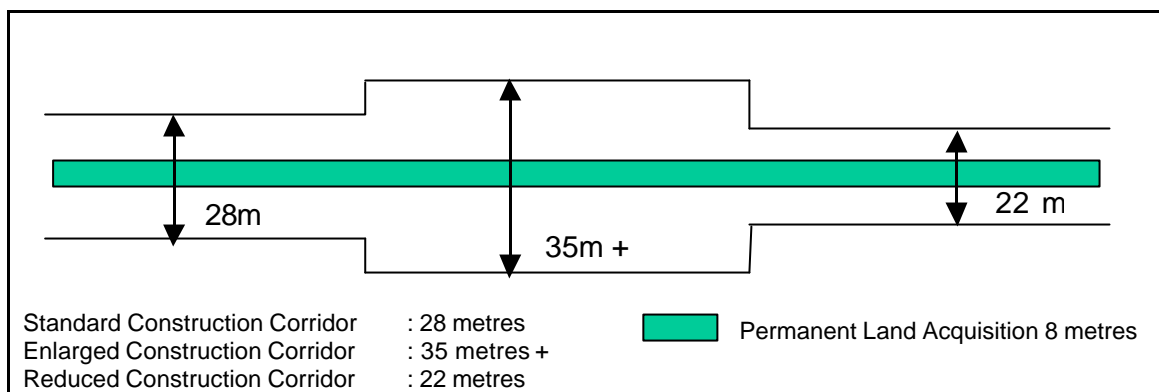
All areas which are needed in addition to the permanently acquired land in order to carry out the construction and installation of the pipeline system and associated facilities and installations, are acquired on a temporary basis. This includes the Construction Corridor/pipeline right of way for the installation of the pipeline system, construction camps, storage yards and other auxiliary areas needed for the temporary location of equipment and materials.

A standard width of 28 metres will be used for the pipeline Construction Corridor. This exceeds the stated specification of the HGA (22m) but is required in this case in accordance with prevailing international standards to allow the employment of standard pipeline installation techniques and to ensure enhanced construction safety during the performance of the work.

At crossing areas in particular, where special construction methods must be applied, additional areas have been acquired thus yielding an enlarged construction corridor.

In forests or other particularly sensitive areas, the working width has been reduced to 22 metres in order to minimise the impact of construction activities on existing vegetation and/or wildlife populations.

Figure 5.1 Construction Corridor Widths



5.1.1.3 Cadastral Information

The Designated State Authority, BOTA^a (DSA/BOTA^a) as specified in the construction alignment sheets, carries out land acquisition for both permanent and temporary lands. The following table identifies by usage all permanent and temporary lands acquired by DSA/BOTA^a for the Turkish Section of the BTC Pipeline. Cadastral information and maps showing the expropriated lands, including electronic files, will be delivered to the construction contractors to be used for right of way (ROW) opening and trenching activities.

Table 5.1 Requirements for Permanent and Temporary Land Acquisition

Permanent Lands	Temporary Lands
Pipeline Corridor (8 metre)	Pipeline ROW (including 8-metre permanent land): Reduced – 22-metre (ESA, Forests) Standard – 28-metre Enlarged - 35(+) metres (slope, others)
Station Areas: Pump stations Metering stations Block valve stations Pressure reduction station Ceyhan marine terminal Access roads	Additional Areas: Starting Construction Camp for each lot Lay down & Working Areas at Special Points Harbour Stockyard (s) Primary camps at each pump station Power line routes to pump stations Cable routes to Anode Ground Beds Waterline routes to pump stations
Anode ground bed locations	
Power line pylon locations	

All lands necessary for the construction, as mentioned in the table above, will be made available depending on the schedule and detailed planning of the Construction Contractor. Hence, it is important that the land acquisition process be initiated well ahead of construction.

5.2 LAND ACQUISITION PROCEDURES

The new Expropriation Law and the procedures by which it is implemented differ in some important ways from the previous ones. This section will deal with: (i) land acquisition and valuation procedures; (ii) organisational and implementation issues and gaps; (iii) institutional responsibilities; and (iv) approaches that the Project will take to minimise issues that have arisen or may arise during land acquisition implementation. In addition, organisational and institutional issues will be discussed.

5.2.1 Preliminary Land Acquisition Procedures

This section describes the preliminary procedures that the Project has undertaken (or will undertake) before land acquisition, resettlement and compensation. The procedures can be broadly grouped into two phases: those during route selection and those post route selection.

Land must be acquired and made available for the Project before construction can begin. No construction can take place unless the valuation is completed, certified attempts are made to negotiate the transfer of ownership or usage rights from the private owners and full payment is made to the accounts of owners.

Figure 5.2 illustrates the key steps that are necessary before the land acquisition can begin with notification to the landowner of the intended expropriation. These key steps are carried out during and after siting, route selection and route narrowing.

5.2.1.1 Overview of Siting and Route Selection

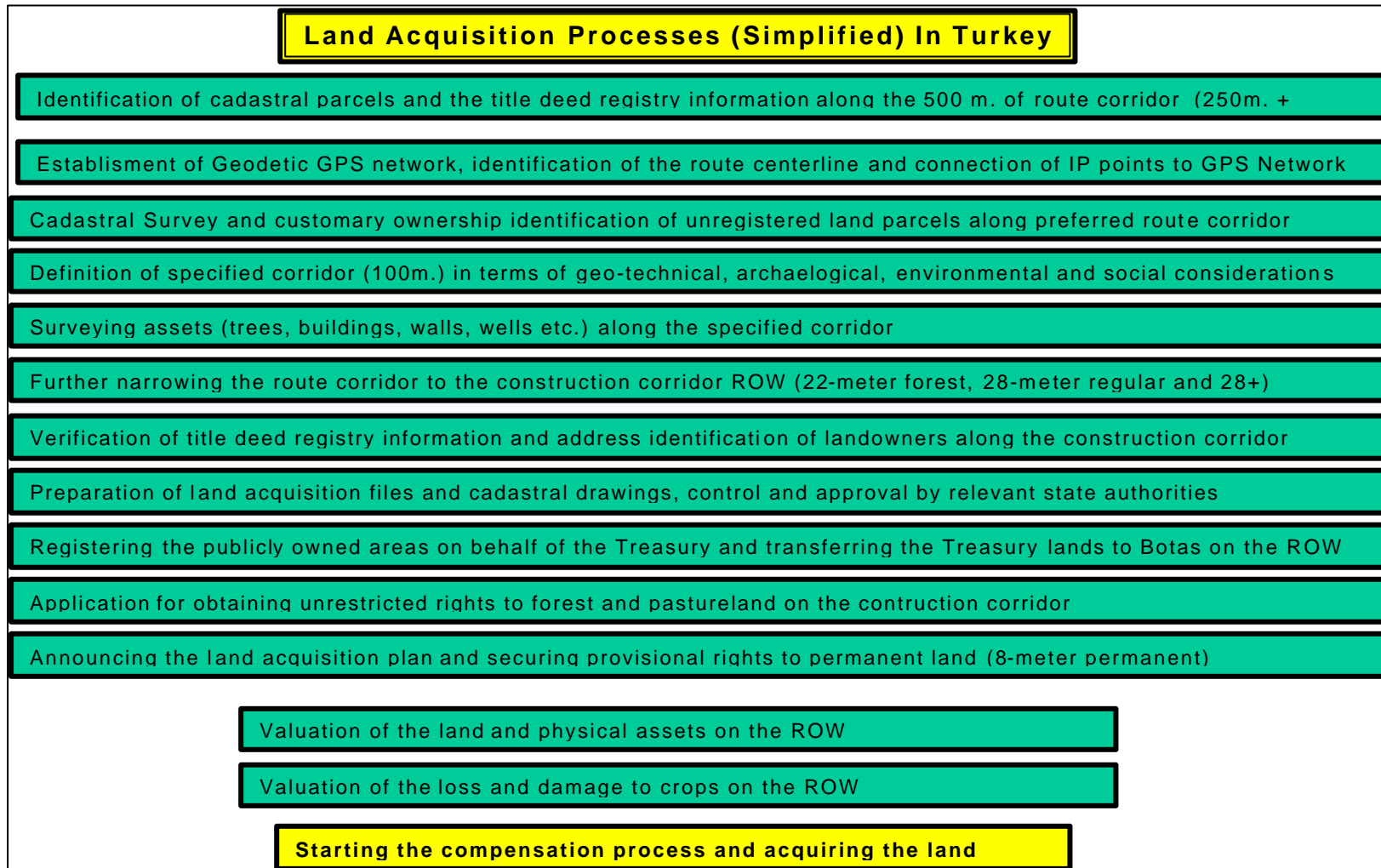
This section presents an overview of the route selection and route narrowing processes described in detail in the EIA for the Turkish section of the BTC Pipeline.

Pipeline route selection is the process of defining an optimised connection between two or more points to be linked with each other via a pipeline transportation system. The route optimisation is performed as an iterative process that weighs and balances several different influences that are encountered on a route causing either deviations of the initial line or the need for the implementation of specific construction or design methods, or both.

The starting point for every pipeline route selection process is a straight connection between a defined start and end point, between which a certain product has to be transported. For the BTC Pipeline the start point was defined as the Caspian Sea coast near to Baku and the end point as the Mediterranean Sea coast. In order to provide a single endpoint on the Mediterranean coast, a nominal location for an international marine terminal was identified in the Ceyhan area on the Gulf of Iskenderun. The primary reasons for selecting this endpoint comprised the following:

- the Ceyhan area offers the shortest route for the pipeline from the Georgia border to the Mediterranean Sea;
- in-shore conditions in Ceyhan provide access to deep water suitable for large and very large crude oil tankers; and
- the Ceyhan area contains a number of coastal industries, including an existing BOTA^a Marine Terminal exporting crude oil.

Figure 5.2: Land Acquisition Process



Once the start and end points have been determined, 'pass points' are then identified. Pass points represent locations or areas through which the pipeline must pass and, as such, they divert the pipeline routing from the initial straight-line concept. Pass points may be points of strategic interest for the operation of the pipeline transportation system.

Following the identification of pass points, the main exclusion zones or areas of severe constraint along the broad routing concept are identified and mapped. These severe constraints may be caused by topographic features, such as mountains and lakes, environmentally sensitive or protected areas, main settlement or development areas, areas of social or political instability or any other area that is to be avoided by the pipeline route.

After the definition of the pass points and exclusion zones for the pipeline, one or more potential, large-scale pipeline route corridors are established. Where more than one corridor is considered as being feasible, they are subject to comparative valuation according to defined and accepted scoring methods and techniques.

For the Project, the route identification, valuation and selection process was undertaken during several phases. In general, a 'route narrowing' methodology was adopted. This was based on the concept of identifying the relevant constraints inside the investigated corridor (initially on a desktop basis, but progressively involving a greater intensity of field survey work) and the establishment of an inspection centreline around these constraints. A weighted approach to environmental and engineering issues in the areas of identified constraints was also employed, where appropriate. The route selection process included several stages of refinement and narrowing of the route:

- **The pre-feasibility studies.** Pre-feasibility studies for the crude oil pipeline transportation system were performed by various interested parties in the region. These studies assisted in the definition of the overall project and led to the World Bank commissioning a formal Feasibility Study.
- **The feasibility study.** In April 1999, the World Bank identified the requirement for a formal feasibility study of the Baku-Tbilisi-Ceyhan (BTC) Crude Oil Pipeline. A two-step method was applied to identify the pipeline route.
 1. The first step consisted of selecting potential route corridors within a width of 100km to the level of detail permitted by maps with a scale of 1:2,000,000 and 1:500,000.
 2. The second step entailed the plotting of potential route corridors of a width of 20km on the basis of maps with a scale of 1:200,000.

A Geographic Information System (GIS) was used to spatially represent and process data during the identification of potential route corridors. After considering the environmental and social constraints of a number of potential route corridors, a single route corridor was selected.

- **Intermediate Routing Studies.** Further assessments of constraints along the route corridor were appraised. As a result, a 10km wide 'corridor of interest' was selected.
- **Basic Engineering Phase.** During the Basic Engineering (BE) phase, the previously established 'corridor of interest' was subject to confirmation and refinement, in order to consolidate the corridor for the selection of environmental baseline data and subsequent narrowing to the 500m wide 'Preferred Route Corridor'. During the BE phase, a range of

desktop studies and field surveys were undertaken to review environmental, social, archaeological, geological and ecological conditions.

- **Detailed Engineering Phase.** In June 2001, following identification of the 500m wide 'Preferred Route Corridor', the Project moved into the Detailed Engineering (DE) phase. The key objectives of the DE included the delineation of the 100m wide 'Specified Route Corridor', followed by the 'Pipeline Centreline' and the 'Consultation Corridor'.

5.2.1.2 Considering Social Constraints During Siting, Route Selection and Route Narrowing

During the engineering phases of the Project, several activities were undertaken to optimise the identified route corridor from technical, economic, environmental and social perspectives. Economic considerations require the identification of least cost construction alternatives, within technically sound and environmentally safe options. Social considerations, on the other hand, aim at the minimisation of social risks and the establishment of mitigation plans with the participation of affected stakeholder groups¹. Specifically, social considerations aim at avoiding physical displacement and the minimisation of livelihood impacts.

At each step of the evaluation of the pipeline route alternatives, social considerations are dealt with explicitly including provisions to receive community feedback. Many steps involve local official stakeholders and/or affected institutions and individuals. Thus, DSA/BOTA^a has utilised opportunities to share Project information and to receive feedback to modify the siting and routing arrangements. Indeed, community feedback has been received throughout the steps outlined below.

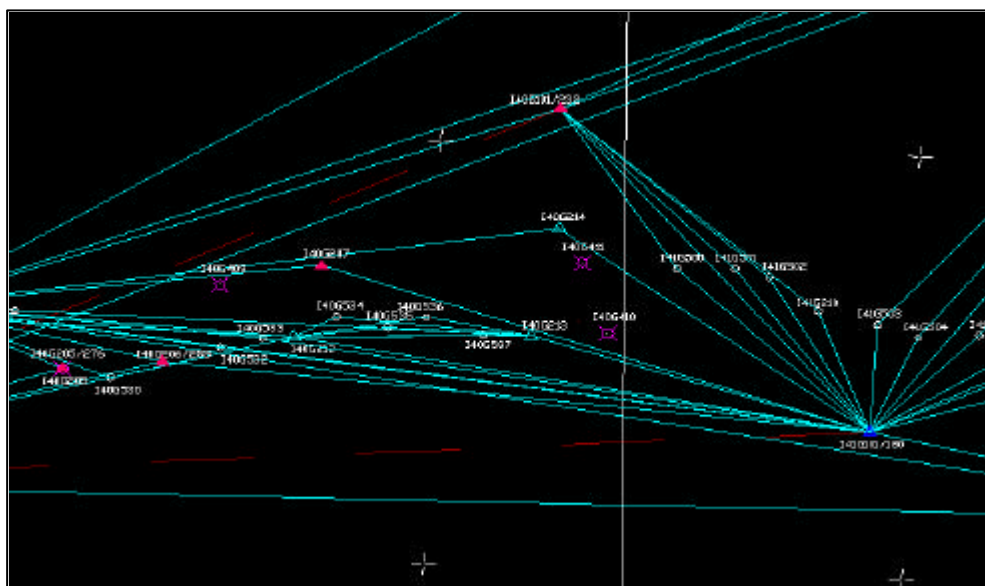
The following sections describe aspects of route selection that have key implications for the land acquisition process particularly for preventing physical resettlement and for minimising impacts on livelihoods.

Establishment Of The Triangulation Network Along The Pipeline Route

The measurement and calculation of the triangulation points are carried out without detailed field visits. These points have been connected to the Turkish National Network (TUTGA) global positioning. This information is used both for permanent and temporary land acquisition. It has also been used to identify the 500 metre pipeline corridor. This map-based exercise provides the first opportunity to avoid human settlements, forest areas with tree cover and other important resources (Figure 5.3).

¹ Mitigation plans for social impacts such as employment that are outside of the scope of the RAP are described in the EIA for the Turkey section of the BTC Pipeline

Figure 5.3 Triangulation



Narrowing The 500 Metre Preferred Corridor To The 100-Metre Specified Corridor

The identification of all human settlements (towns, villages and individual houses) ensured that during the process of narrowing the pipeline corridor there was no need for physical displacement of people. In this important step, attention was paid to avoiding physical structures such as homes, barns and wells as well as cultural property. The requirement that the field staff of the Designated State Authority (DSA/BOTA^a) carry out field visits for this step provided an important opportunity for the affected communities and owners/users to be informed of the Project's intent for temporary and permanent land acquisition.

BTC Co. Approval Of The Specified Corridor

BTC Co. approved the Specified Corridor, based on extensive field trips with potential IFIs (international financial institutions). This marked an important step and opened the door for DSA/BOTA^a to proceed with the legal procedures for expropriation.

Identification Of The Location Of Permanent Facilities

The Project includes the construction of four pump stations and one intermediate pressure reduction station along the pipeline in Turkey and a marine terminal at Ceyhan. Areas for temporary storage of materials and work camps have also to be considered. In addition, the location of electricity and water installations as well as access roads to all permanent and temporary facilities have been identified. The 8 metre corridor and all permanent facilities and access roads leading to them are required on a permanent basis. For the remaining part of the corridor, temporary land acquisition will be made based on the same valuation principles as those applied to permanent land acquisitions.

Narrowing Of The Specified Corridor to the 8m Wide Pipeline Corridor and Determination of the 28m Wide Construction Corridor

This is the key step that will ensure the minimisation of physical and economic displacement and it will facilitate the participation of affected populations and communities. The previous

steps pointed to a far higher number of potentially affected communities and populations than this step (Box 5.1). This step also allows for the identification of permanent versus temporary impacts of the Project. Areas expropriated for the construction of the pipeline (15 metres and 5 metres on either side of the 8 metre corridor) will be reserved for the exclusive use of the Project during construction and thereafter will be made available to their owners as soon as the construction is completed (a maximum of about 3 years for a given area), subject to certain ongoing restrictions to assure safe operation of the pipeline and to conduct Project activities. The 8 metre corridor will be permanently acquired but it too will be made available to the owner/users post construction provided that permanent structures are not built, trees are not planted and other such limitations are observed within this corridor. The expropriation of both temporary and the permanent areas will be carried out in stages shortly before pipeline construction begins. This will allow the owners/users to make maximum use of their land until shortly before the construction activities start in the relevant sub-region. This will also allow the expeditious return of the temporarily acquired lands to their owners.

Box 5.1 Minimisation of Adverse Social Impacts

In the final determination of the pipeline corridor, feedback has been sought from local authorities and the people. For example, in one district, in an effort to avoid settlement areas, the project planned to pass the corridor through an unoccupied and uncultivated area. The local officials informed the project that this area has been set aside for housing development and construction permits have already been obtained based on new zoning. As a result, the necessary re-alignment has been made and potential adverse impacts on people who have just bought plots in the development have been avoided.

5.2.1.3 Preliminary Land Acquisition Procedures Post Route Selection

Identification Of The Cadastral Parcels (Plots) Through Which The Pipeline Passes

This includes obtaining cadastral (land registration) records and transferring them to a digital platform, coordinating the conversion for graphical and local cadastral sheets, and marking up the 28 metre and 8 metre corridors on cadastral maps. Cadastral surveying is undertaken for unregistered parcels and landowners are identified in accordance with the Expropriation Law. This is a lengthy and cumbersome process but it is the critical step towards fair and full compensation for the owners. This is also a key step in the establishment of a baseline to monitor the progress of the expropriation process. Several important stakeholders participate in this process and, through this, the local populations receive another set of information about the Project.

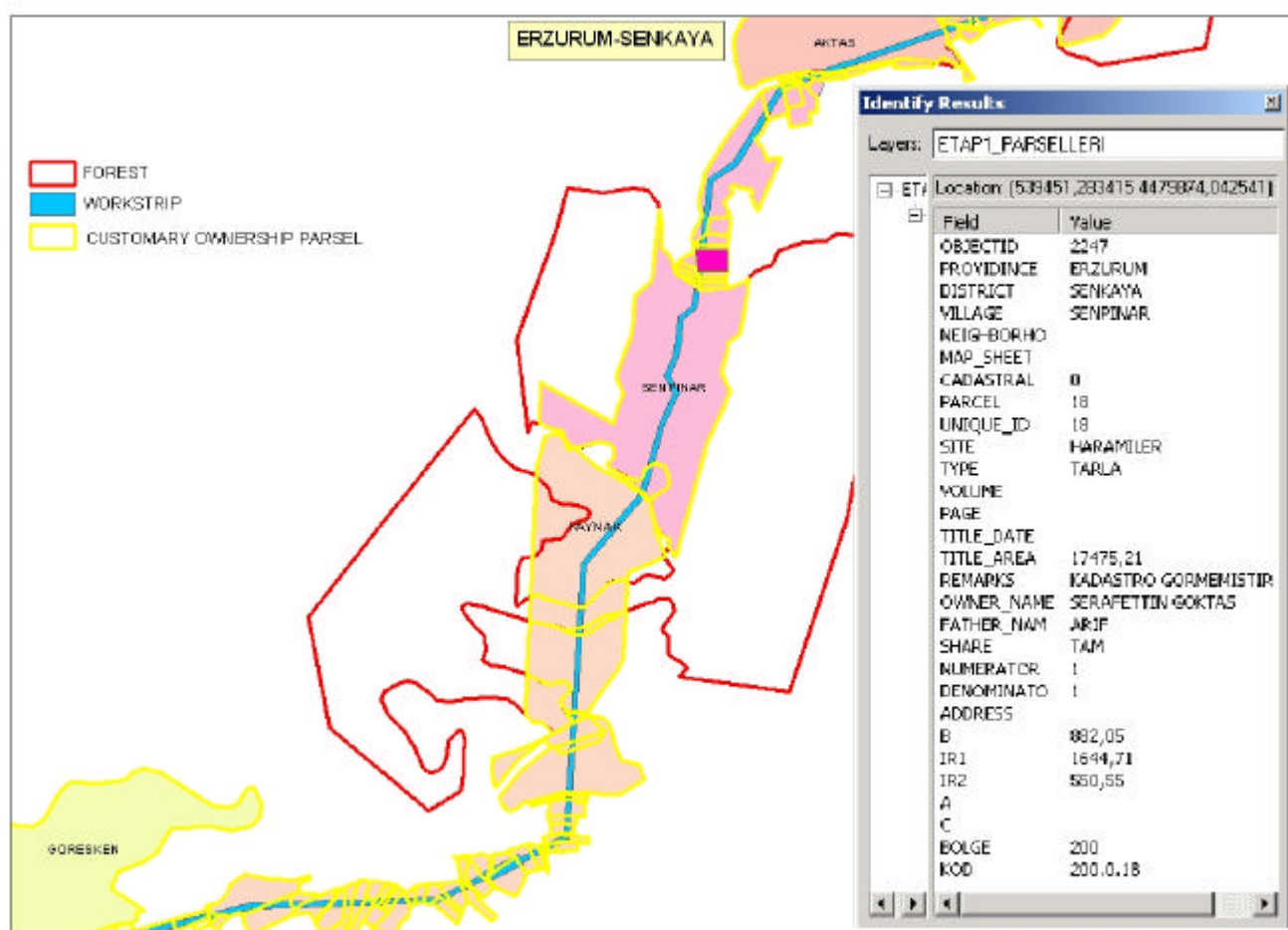
Monumentation, Staking Out The Centreline

This is a technical step that involves a map-based manipulation of the database to yield finalisation of the centreline. Without the completion of this step, it would not have been possible to draw a sample for the RAP socio-economic survey.

Identification Of Landowners And Title Deed Records

A critical step in entitlements establishment, this also is a time consuming activity. It is during this step that customary rights are established and reported to the cadastral offices. This step brings DSA/BOTA^a and the owners together and allows consultations and feedback, especially with regard to customary ownership rights (Figure 5.4).

Figure 5.4 Customary Ownership



Approval Of The Land Acquisition Plan By The Appropriate Cadastral Office

This is a formal step in informing the local stakeholders of the definite intent of the Project to proceed with expropriation as specifically planned and mapped.

Approval Of Ownership Lists By Regional Title Deed Registry Offices

This step leads to the completion of identification of legal and customary owners of land in the affected areas, whether they are absentee or resident. It also allows DSA/BOTA^a to notify the owners and to invite them in writing (or sometimes through home visits) for valuation negotiations.

Preparation And Verification Of Land Acquisition Files For Individual Villages

At this stage, DSA/BOTA^a is ready to proceed with negotiations and expropriation, subject to a later stage during which valuation is carried out in consultation with a large number of local relevant stakeholders.

Land acquisition files contain:

- a) Approval Cover page
- b) Decision of Public Interest
- c) Technical Report and Summary
- d) Ground Check Points-SOME Coordinates Summary Chart and Curve Calculations
- e) Approved Title Deed
- f) Assets List
- g) Address List
- h) Immovable Property List
- i) Coordinates of Parcel Corners and Intersection Points
- j) Ownership Area Calculations
- k) Additional Damage and Loss Area Calculations
- l) Measurement Sketches
- m) Registration Notifications
- n) Expropriation Plan.

Decision Of Public Interest For The Parcels To Be Acquired

The decision of Public Interest has been taken by the Ministry of Energy for the BTC Pipeline project. The decision allows the application of the Expropriation Law.

Applications to State Authorities

There are several steps involving applications to State authorities for land acquisition:

- **Registration on behalf of the Treasury of undetermined land** during land acquisition works which have undefined boundaries under the authorisation and possession of the State. These data provide input for census estimates of affected populations.
- **Ministry of Energy and Natural Resources changes the category of pasturelands and registers these on behalf of the Treasury.** This data should provide input for estimates for affected communities. When combined with the socio-economic survey information about the extent of reliance on livestock management in respective communities, a list of priorities for the utilisation of the RAP Fund will be established.
- **Application to the General Directorate of Forestry for obtaining exclusive and unrestricted use of forestland.** This data should provide input for estimates of affected communities. It also shows that the total width of the expropriated areas will be reduced from 28 metres to 22 metres in all forest areas. This procedure allows the minimisation of adverse impacts on the users of forestlands.
- **Registering the publicly owned land on behalf of the Treasury and transferring the registration to BTC Co through DSA/BOTA^a.** Public land acquisition is subject both to the Expropriation Law and to the Law on Transportation of Oil by Pipeline. The latter states that the DSA/BOTA^a may: “Realise the expropriation and/or other acquisitions by means of establishing right of easement on ownership acquisition or the immovable property as the individual and permanent rights are included”.

- 1) The lands that are under the discretion and disposal of the State, places which are excluded from identification or registration during the title deed or cadastre activities, forestlands the borders of which are not defined, and which as a whole are located along the route of the pipeline as a transit oil pipeline project is concerned, shall be registered in the name of the Treasury at the title deed registry.
- 2) Right of easement including individual and permanent right shall be established, in the favour of the institution assigned for expropriation, on the lands registered as per subparagraph (1) and on the immovable properties including the forest lands already registered at the title deed office, in the name of the public institutions or bodies and the Treasury, on the basis of the information given by the institution assigned for expropriation to the relevant institution. Provisions of the Law on Forestry No. 6831 shall apply for the establishment of right of license and easement including individual and permanent rights with respect to the transit oil pipeline project to traverse the lands that are considered as forestlands.

Identification And Recording Of Assets On Parcels Within The Construction Corridor

This step is essential to the valuation phase of the expropriation process. It also ensures that fair and transparent payments are made not just for the land but for all assets (buildings, trees and immovable objects) on the land.

5.2.2 Procedures For Acquisition Of Privately Owned Lands

Once all steps have been completed for identification and location of affected plots, assets and owners, the key land valuation steps (shown in Figure 5.5) can begin in the case of private land with undisputed ownership, with four steps:

- **Establishment of the valuation commission.** Established within DSA/BOTA^a, the valuation commission (together with several local agencies) gathers information to determine the value of each plot of affected land.

Box 5.2: The Valuation Process

Article 8 – The Administrations shall, as per this Law, primarily apply the purchasing procedure for the expropriations to be carried out on the immovable properties registered at the title deed office.

After the decision for expropriation is taken, the Administrations carrying out the expropriation shall assign one or more than one value appraisal commissions, comprising of at least three individuals, under its own body for the purpose of determining the estimated cost of the immovable property, on the basis of article 11 of this Law and by taking reports from experts, institutions and organisations specialised in this field and if necessary by using the information to be taken from the Chambers of Industry and Trade and the local real estate agencies.

- **Letter of Notification.** Landowners will receive a notification letter informing them of the decision to expropriate their lands. The letter specifies the date when a Negotiations Commission will visit the village of the affected landowner to disclose the principles of the valuation and to seek agreement with the landowner. A copy of the Guide to Land Acquisition and Compensation brochure will be enclosed to inform the landowner of the acquisition and compensation process.
- **Official Reply Period.** As described by law, the landowner has a 15 day period during which he or she may contact the expropriation agency (the local DSA/BOTA^a branch) to express his or her opinion, rejection or willingness to negotiate in view of the

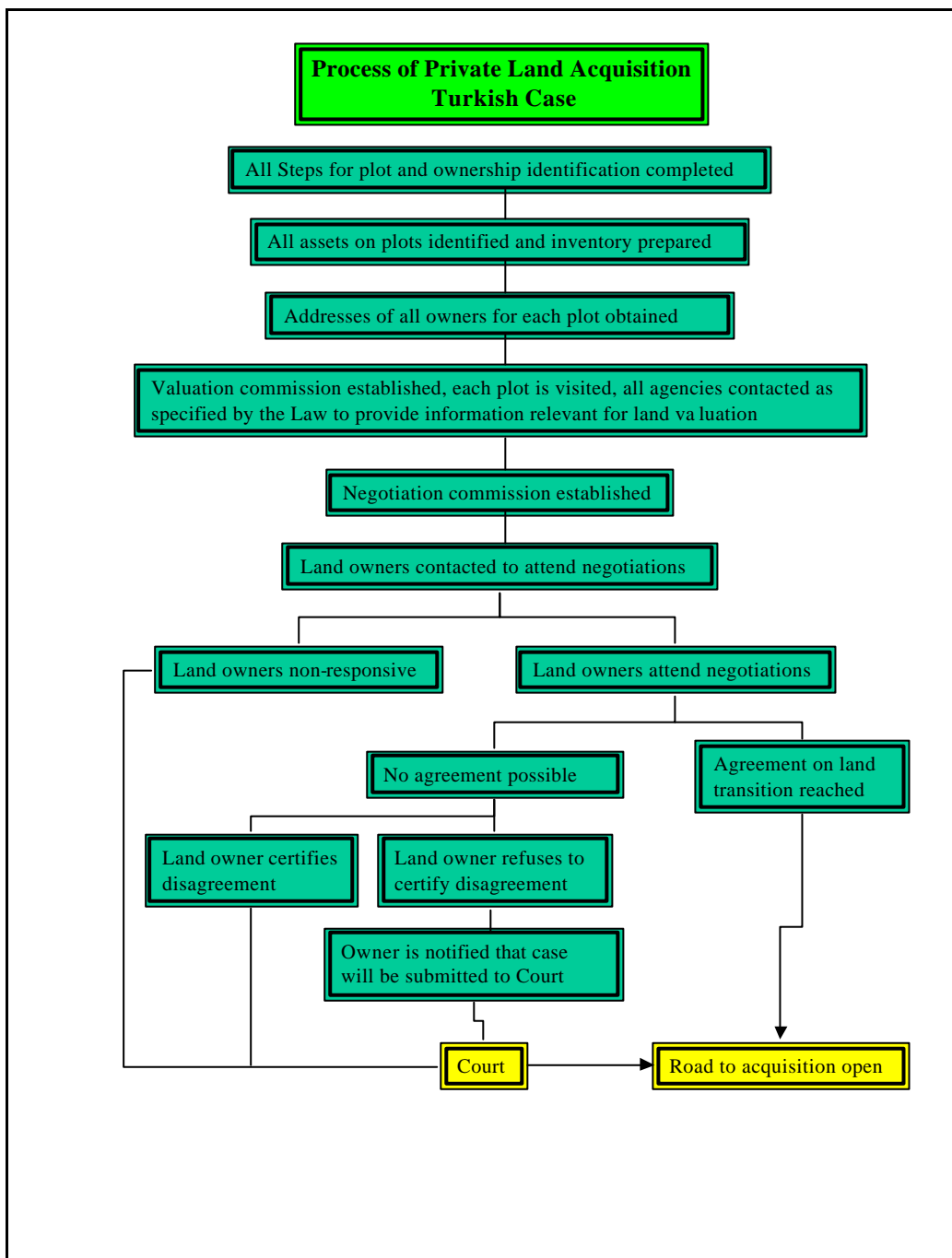
communicated expropriation decision. Landowners will not be obliged to visit the local DSA/BOTA^a branch. To facilitate discussions, the relevant DSA/BOTA^a officers will visit each affected village after sending the letter of notification.

- **Establishment of the Negotiations Commission.** Established by DSA/BOTA^a, the Negotiations Commission begins discussions with landowners based on the range of land values established by the Valuation Commission. The “negotiation” process does not consist of bargaining. Indeed, as mentioned in Chapter 2, the Negotiation Commission has no room for bargaining. Rather, this Commission explains the basis of valuation to affected communities and each of the affected titled deed owners. It provides detailed information obtained from each source specified under the Law and shows how valuation decisions have been reached. Should the PAPs have concerns regarding the individual characteristics of certain plots, this commission re-visits these plots and reconsiders the validity of the initial valuation.

5.2.2.1 Mutual Agreement

In the event of agreement between the Negotiations Commission and the landowner, the land price is paid to the owner’s private bank account, and the deed is obtained by the DSA/BOTA^a and registered in the name of BOTA^a. DSA/BOTA^a then grants the rights of use, possession and control specified by the HGA to BTC Co., with title registered in the name of BOTA^a but also indicating the rights of BTC Co. This registration will be done only for the lands permanently acquired (e.g., for the 8 metre corridor and for pumping stations). Mutual agreement cases are illustrated in the Figure 5.5 below.

Figure 5.5 Private Land Acquisition: Mutual Agreement Cases



5.2.2.2 Non-Agreement².

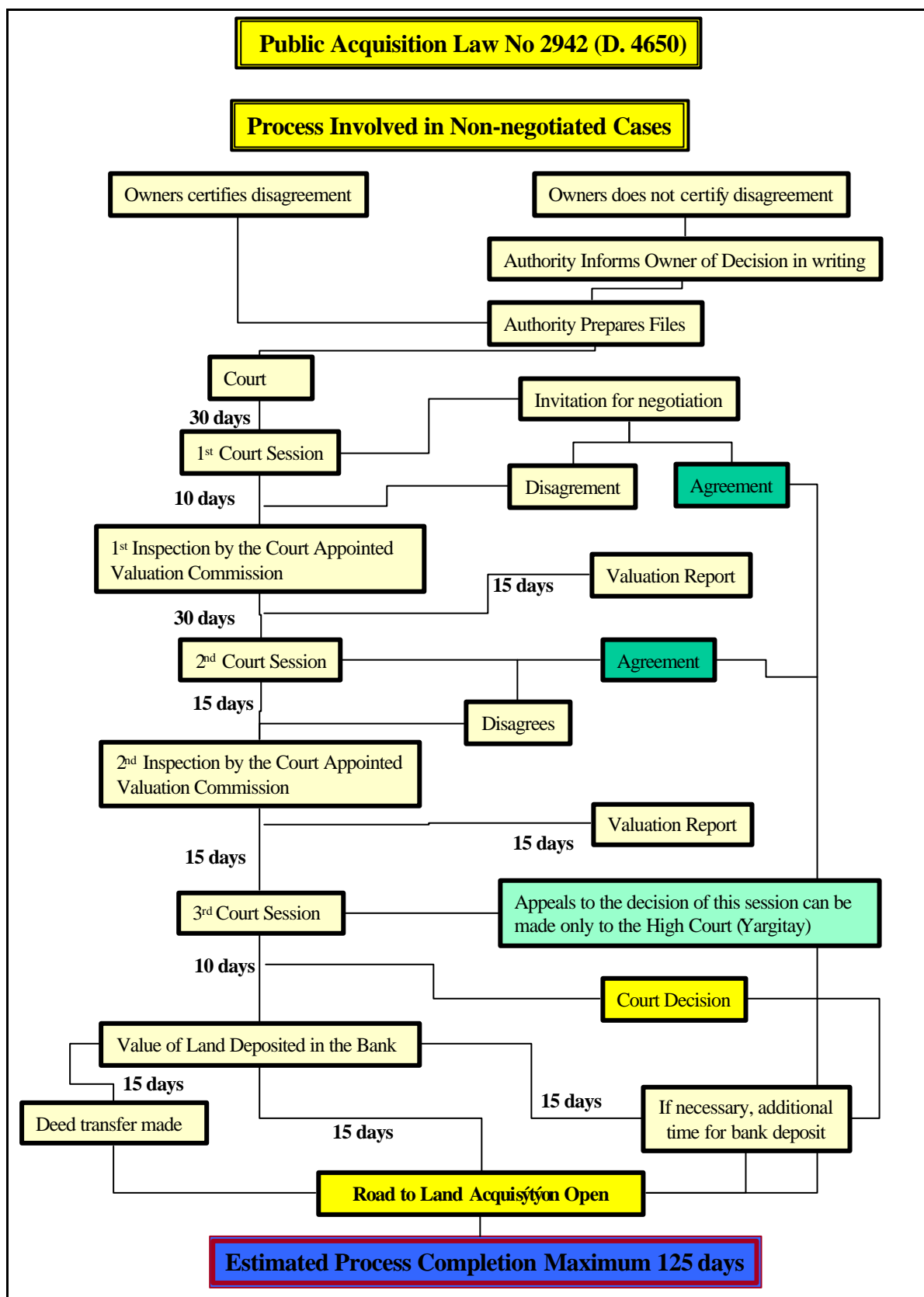
In this event, DSA/BOTA^a applies to the court for a land appraisal and for registration of the land in the name of BOTA^a with rights of use, possession and control in BTC Co. Public announcement of the process is made through the media and the court summons the landowner. A trial date is set within a 30 day period. If the landowner and DSA/BOTA^a do not agree before the court on the land price, the court assigns independent experts to appraise the land within 10

² In the event that the landowner is known but cannot be contacted, an extended process of contact is envisaged, as per the Expropriation Law.

days. The court then sets a new trial date within 30 days and submits the results of the appraisal to DSA/BOTA^a and to the landowner. In the event of non-agreement on this court-supervised appraisal, the court can appoint other appraisers within a 15 day period. The court, following the second appraisal, will establish a final expropriation price. The following steps will then be taken:

- The determined price will be deposited in a national bank account in the name of the land owner;
- A bank receipt for the deposit will be submitted to the court; and
- The court will decide on the title registration change and relate the new title deed registration to the Land Registry Directorate; this completes the registration in the name of BOTA^a with rights of use, possession and control in BTC Co. The landowner still has the right to appeal the valuation decided in the court, but not the expropriation of the land (Figure 5.6).

Figure 5.6 Expropriation Steps



5.2.2.3 Procedures for Acquisition of Land that is Customarily Owned

Lands that are not registered can have, inter alia, the following claims: (a) all users of the land are members of a community, or they are integral and external members of a community; and (b) the land has been used continuously for 20 years. For these cases, DSA/BOTA^a obtains ownership information from an expert group that it then submits to a court, after which the normal procedures apply as for privately owned lands with registered deeds. The procedures are illustrated in Figure 5.7 Parts A and B.

5.2.2.4 Procedures for Private Land Acquisition When The Title Deed Is In The Name of A Deceased Person

This procedure includes confirmation of the owner's death, identification of and communication with heirs, registration by heirs of their claims and/or court determination of inheritance claims if needed, after which the heirs are treated within the normal procedures for privately owned land with clear ownership title (Figure 5.8).

5.2.2.5 Procedures for Private Land Acquisition When There Is Joint Ownership

This procedure includes a process of identifying the specific shares owned by multiple owners. In the event that specific shares are not known or are contested, the court, according to Civil Law, makes the determination of shares and owners, after which the normal procedure for acquiring privately owned land is used (Figure 5.9).

5.2.2.6 Immediate Expropriation

In order to accelerate the land acquisition process, the Expropriation Law provides for "Immediate Expropriation" (Article 27). In this case the request for expropriation is directly submitted to the court which arranges for an official land valuation. Access to the land may then be granted after this valuation has taken place. This does not limit the right of the landowner to contest the determined compensation payment in a subsequent legal process. However, DSA/BOTA^a is committed not to initiate any court process (regular court process or Article 27 for immediate expropriation) for privately owned land, prior to notification of the relevant landowner and prior to an attempt to negotiate an amicable agreement for the acquisition of land for the Project.

Figure 5-7 Procedures for Acquisition of Customarily Owned Lands – Part A

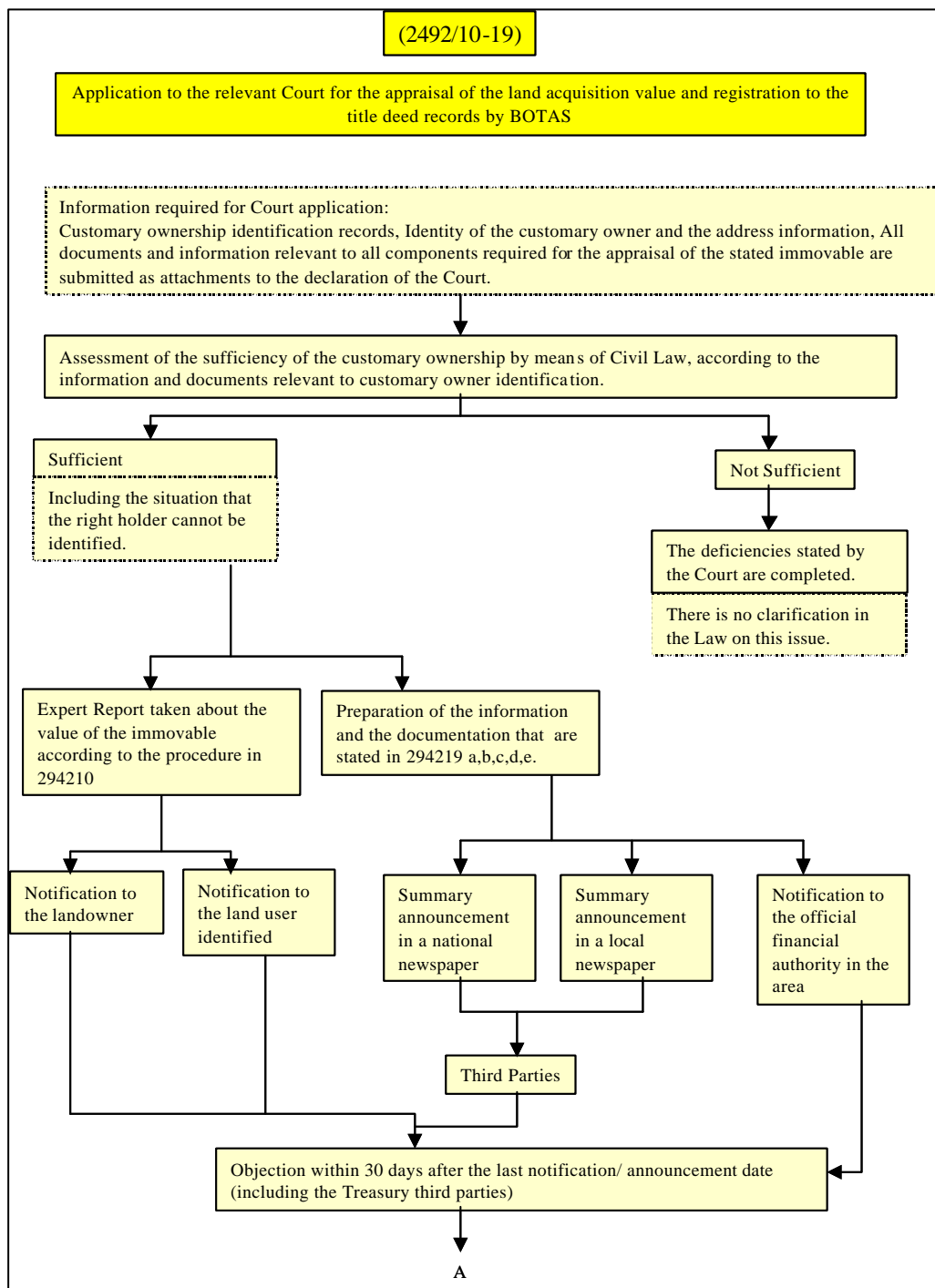


Figure 5-7 Procedures for Acquisition of Customarily Owned Lands – Part B

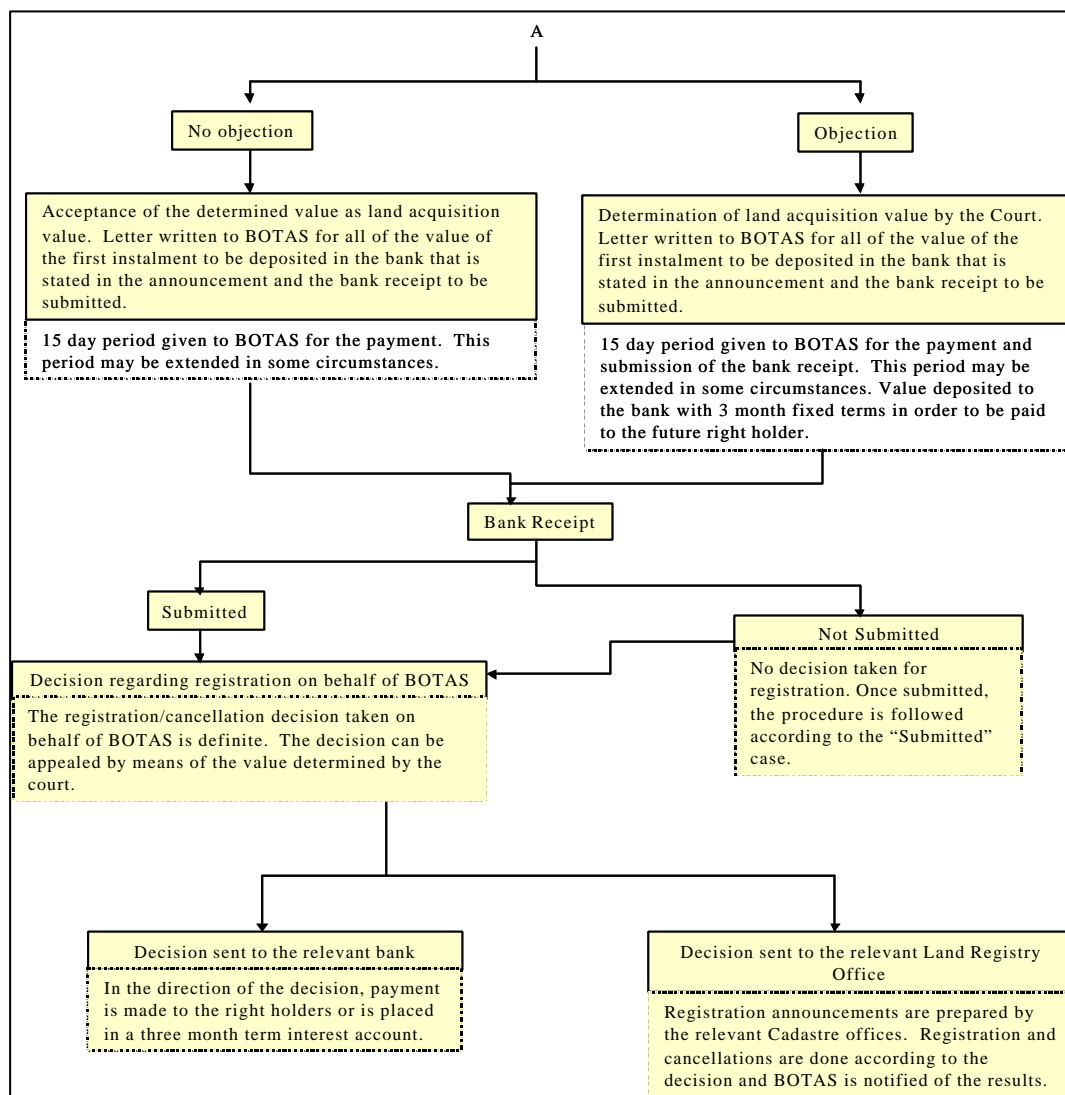


Figure 5.8 Private Land Acquisition: Deceased Owner

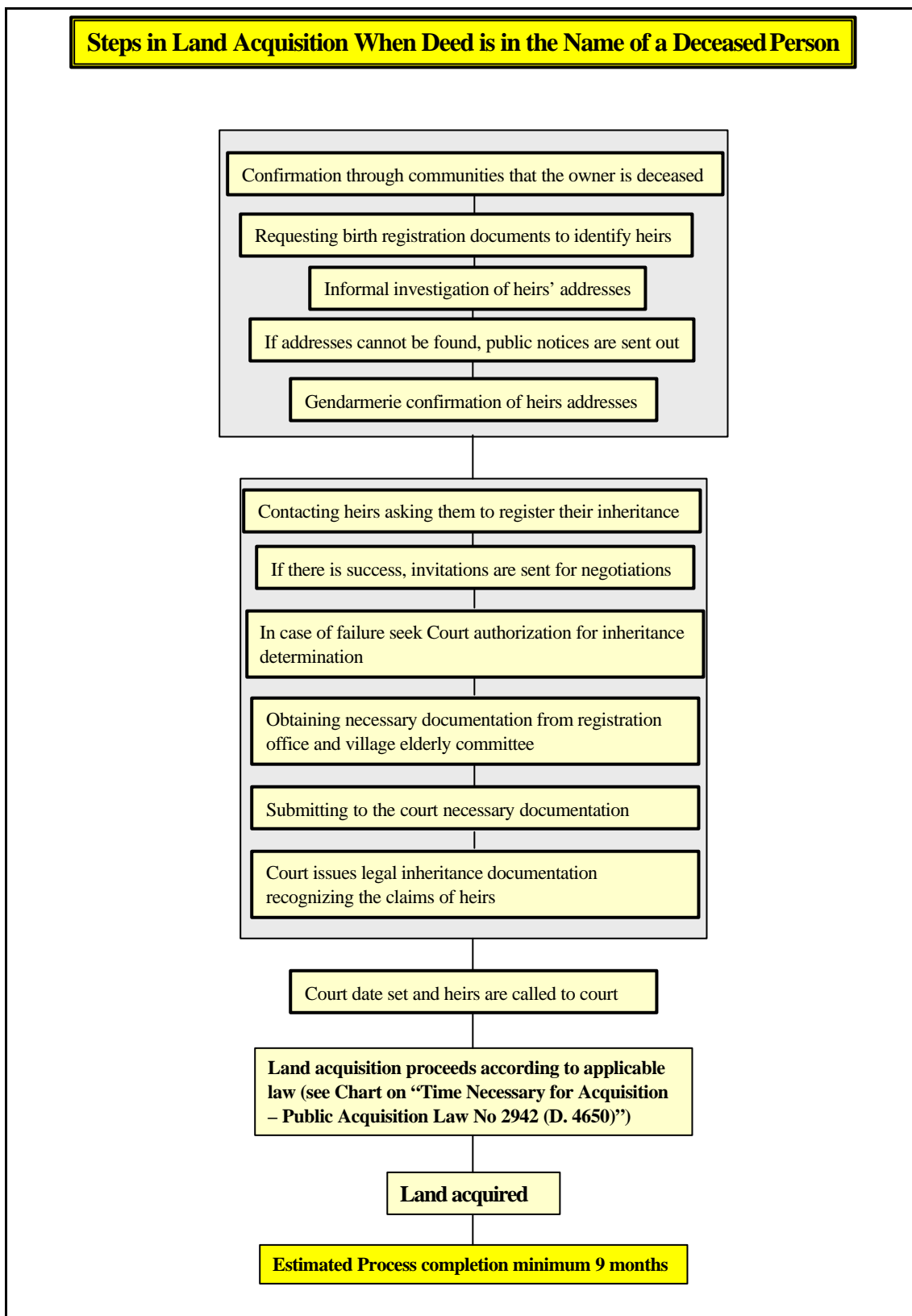
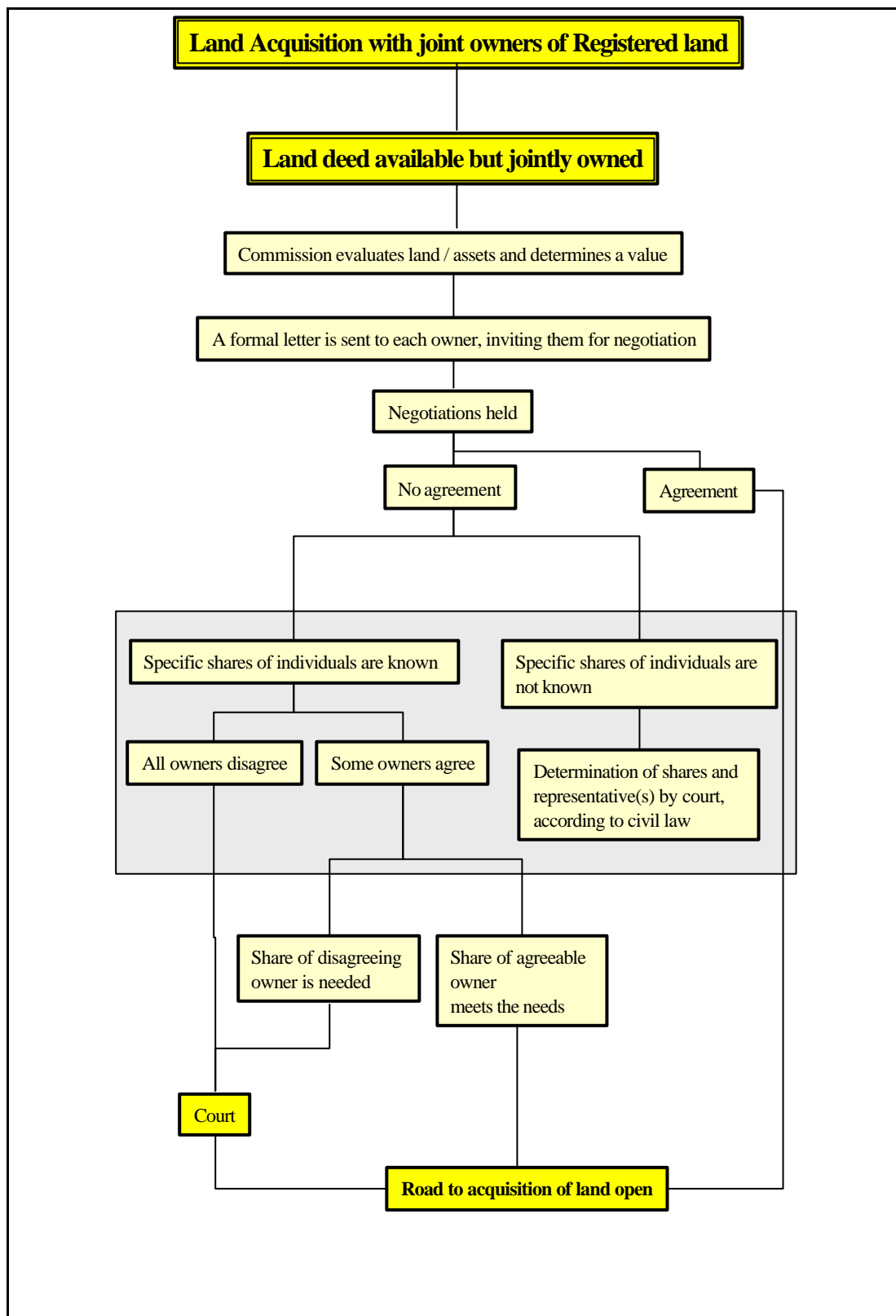


Figure 5.9. Private Land Acquisition: Joint Ownership



5.2.3 Procedures For Acquisition Of Privately Owned Lands - Disputed Ownership

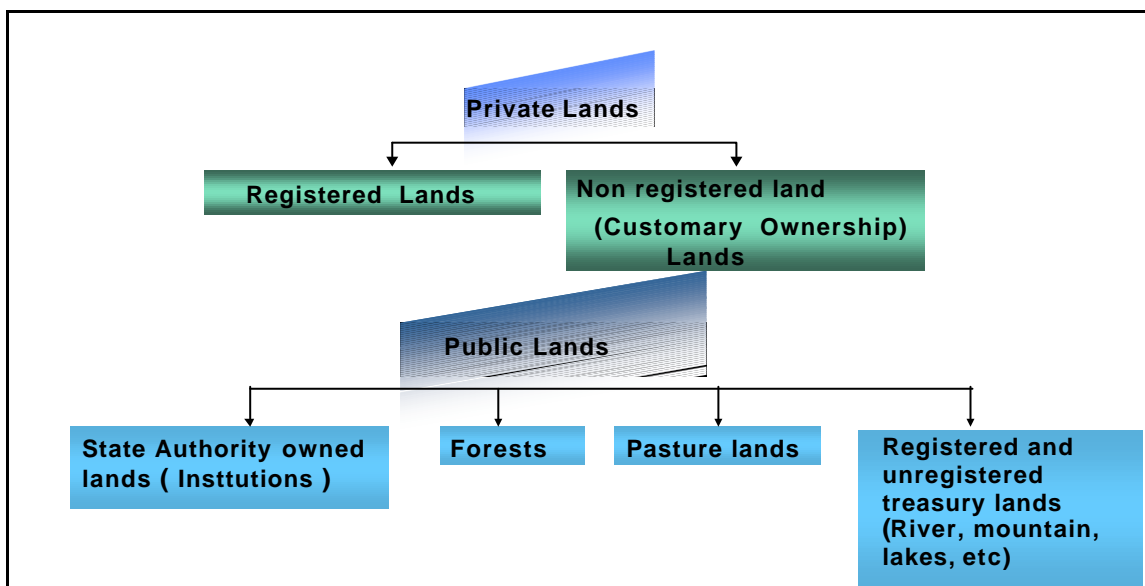
During the landowner census, 170 cases of disputed ownership were encountered involving 34 villages. In these cases, the ownership was disputed during the process of establishing the official cadastre and title deed records, and the disputes proceed through the courts. DSA will directly apply to the court to establish legal ownership and proceed with the expropriation procedures. No additional time delays are anticipated for these cases.

This procedure focuses on establishing a commission at the county level to document land values in accordance with the Law. It also involves legal review, including the possibility of having a formal court-supervised land documentation and valuation process.

5.2.4 Acquisition of Land Owned by Public Agencies

Land acquired from the public sector falls into four broad categories (Figure 5.9) and is compensated based on the values determined by the agency to which it belongs. There is ample room for valuation discussions and the timing of the transfer of the land between the Project and the relevant state authority. The valuation judgements or principles used by some agencies are far more systematic and transparent than others. For instance, the Ministry of Forestry has established valuation principles that are far more easily verifiable than those of other agencies.

Figure 5.9 Land and Ownership Status in Turkey



The early transfer of State lands to the Project will help expedite the land acquisition process for the Project. At the same time, untimely acquisition or acquisition too far in advance of the start of construction in the relevant areas might result in the acquisition of lands that may not be needed. The Project is particularly concerned about untimely acquisition of forestlands both because these are expensive and because changes in the route³ may nullify the need for these lands.

³ Route verification has already been done many times. However, as late as mid-September 2002 yet another round of verification was ongoing to ensure that cultural heritage element would not be adversely affected along the route. Thus, the Project will acquire most of the public land plots in an incremental manner.

5.2.4.1 State Authorities

Payment to state authorities is made in the same way as it is to private owners. Relevant state authorities are notified of the Valuation Commission's decision on land value accompanied with a request for the transfer of the land. If the authority accepts the value, payment is then made to the bank account of the authority and transfer of the land is completed.

If an authority refuses the advised land value, then DSA/BOTA^a applies to the court for valuation. In such cases, valuation is determined by court-appointed experts and payment is made to the relevant authority's bank account in accordance with the court's final decision.

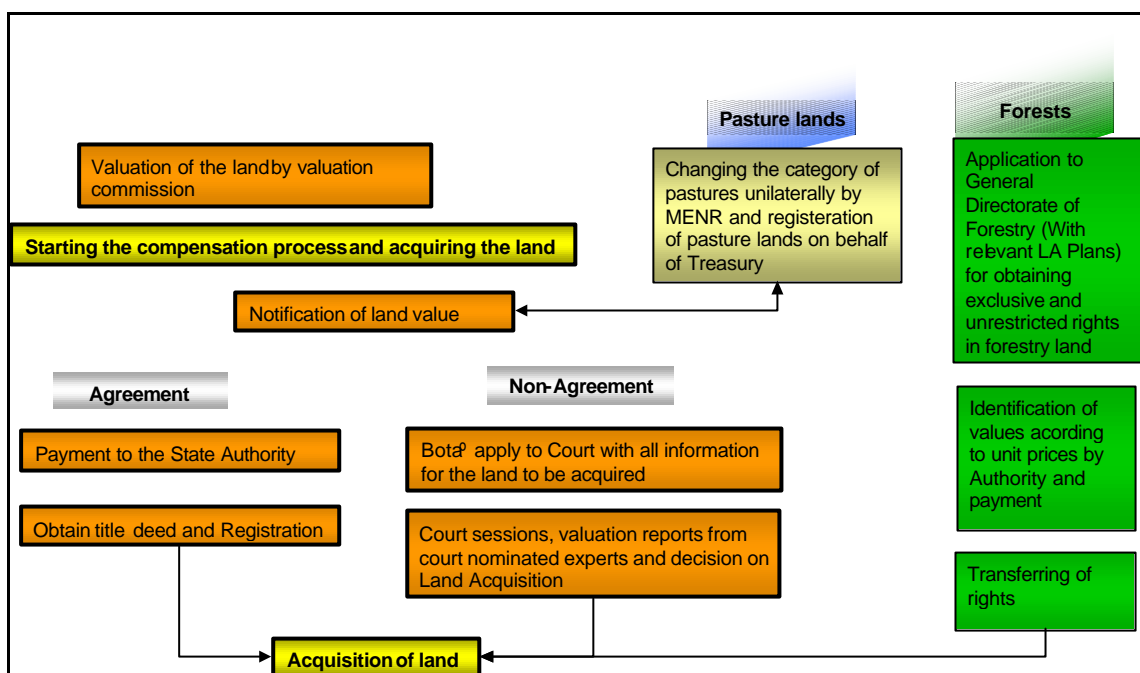
5.2.4.2 Forestland

To acquire rights to forestry land, DSA/BOTA^a conducts a field investigation of the forestry areas within the corridor and application is made to the General Directorate of Forestry for the land required, including a calculation of impacts on "forest villages". The acquisition procedures are summarised in Figure 5.10.

5.2.4.3 Pastureland

To expropriate pastureland, the DSA/BOTA^a conducts a field investigation of the pastureland within the corridor, determines land usage patterns and the value of the pasture to the land users for all crops and for loss of access. For other commonly used land, DSA/BOTA^a prepares topographical maps so that these areas can be registered on behalf of the Treasury for use by the Project. The acquisition procedures are summarised in Figure 5.10.

Figure 5.10 Treasury / Pasture / Forestlands



5.3 VALUATION

Valuation procedures, as specified by law, allow a fair and transparent process of compensation to all owners. The process of valuation begins with the selection of a Valuation Commission within the expropriation agency. This Commission's responsibility is to calculate, on a plot-by-plot basis, the capitalised income loss from assets. The Commission applies this principle to both temporary and permanent expropriations within the confines of the law. In calculating the net income from land, the following is taken into account:

- (i) The type and quality of the property or resource;
- (ii) The surface area;
- (iii) The value of all distinctive characteristics that can affect the overall value of the land;
- (iv) Tax statements, if any;
- (v) An estimate made by official authorities on the date of expropriation;
- (vi) The net income of the land, immovable property or resources according to the locations and conditions valid on the date of expropriation, and the determination of its value based on its original condition. The formula used is $K=R/f$ where K is the value (expropriation compensation), R is the net income (gross income minus production costs) and f is the capitalisation rate (a type of risk related to the capital invested in agricultural land);
- (vii) The sales amount of similar land sold before the date of expropriation;
- (viii) Official unit prices, construction cost estimates and depreciation of buildings on the date of expropriation; and
- (ix) Other objective measurements that can influence the determination of valuation.

The valuation of agricultural land rests on the capitalisation of net income from the land. As such, it takes into account all of the above considerations. Urban land, on the other hand, is not value based on its net income, but rather on the comparison of its before and after construction market value.

5.3.1 Valuation Commission

The Valuation Commission is initially established by DSA/BOTA^a with six participants assigned to undertake the task of evaluation and valuation of the land to be expropriated. The participants are nominated by BOTA^a and include:

Chairman: Head of DSA/BOTA^a

Vice Chairman: Deputy Head of DSA/BOTA^a

Member: Legal Office

Member: Construction Department

Member: Financial Affairs

Member: Responsible Chief of DSA/BOTA^a Branch Office

The responsibilities of the Land Evaluation Commission are as follows:

- Assessing land value by conferring with relevant state authorities and local real estate agencies;
- Compiling the acquired data and analysing it according to a prescribed methodology; and
- Assigning monetary value to the land and other immovable assets.

5.3.2 Institutional Collaboration/ Consultation

The Valuation Commission may consult with the institutions listed below in order to determine a fair value for land. The specific data assets of each institution are noted:

- **Title Deed Registry Offices:** property sales prices for the current year and past two years;
- **Municipalities:** tax declaration values or tax value appraisals;
- **State Property Directorships:** the values of recently sold lands, including Treasury lands;
- **State Authorities:** any other state authorities which have recently carried out land acquisition activities and the valuations they used;
- **Real Estate Agencies:** local real estate agencies specialising in land sale processes;
- **Local Chambers of Industry and Commerce, agricultural associations, village headmen and the council of village elders:** unit values according to land classification.

The principal purpose of collaborative consultations is to arrive at accurate calculations of net income and capitalisation rates. A secondary advantage is to be able to provide documentation of the valuation process so that transparency can be built into the process of negotiations. Finally, the accrual of extensive and precise documentation of valuation processes can assist courts in rendering decisions efficiently, should disputes arise and recourse be taken to the judiciary system.

5.3.3 Negotiation Commission

The Negotiation Commission is established by DSA/BOTA^a with three participants to engage in negotiation with landowners. Normally, the landowners are invited to a DSA/BOTA^a branch office in the region by means of an official letter. However, given that most owners are reluctant to have their land expropriated and are pessimistic about the compensation levels to be offered by DSA/BOTA^a (as well as other agencies), they are reluctant to come forward. Even when DSA/BOTA^a invites them subsequently through advertisements in local and national newspapers, there is little incentive for the affected populations to attend negotiation meetings. Thus, it is imperative that DSA/BOTA^a representatives visit directly affected villages to hold village meetings for the purpose of explaining and clarifying the principles of valuation, how prices of trees and crops were established, and how net incomes were calculated.

The responsibilities of the Negotiation Commission are as follows:

- To inform the landowner about the value of the land as determined by the Valuation Commission;
- To negotiate the proposed land price in the interest of averting a court case; and
- To demonstrate that the proposed land valuation is fair and detail the appraisal criteria for the individual parcel.

5.3.4 Valuation of Assets

In broad terms, any asset to which the risk of damage or destruction is posed during the construction phase is subject to compensation. In this regard, key assets for consideration include man-made structures, crops, orchards, vineyards and trees.

The valuation of structures, barns, fences, wells, poultry houses, etc., will be conducted by DSA/BOTA^a with the assistance of official experts from the Provincial Directorate of Settlements and Public Works. The valuation process will take into consideration the type of structure, construction area, construction cost, and the year of construction. In assessing the value of the asset however, full replacement cost is the principle, regardless of how much the asset might have been depreciated over the years. If the landowners accept the value presented for the damaged or demolished assets, an agreement protocol will be prepared and signed by both parties. In case of disagreement on the valuation, DSA/BOTA^a will apply for a court decision by submitting the valuation reports and asking for re-valuation by a court-nominated valuation commission.

The crop value evaluation is carried out by a panel of agriculture experts associated with the relevant Provincial or District Agriculture Directorates. The valuation is based on the actual seasonal crop values, which may vary from year to year. The payments to owners for temporary and permanent damage to crops are not included in the overall land valuation. For tenants and for accidental damages, payments are based on the assessment of the actual damage resulting from construction activities, as observed in the field.

In returning the temporarily used lands to their original owners, DSA/BOTA^a will recognise that future productivity losses will occur. DSA/BOTA^a will also take into account the existing court appointed commission valuations that assume a minimum of 10 percent lifetime productivity loss for the lands used for construction.

For the assessment of the value of trees, DSA/BOTA^a receives the support from the provincial and district Agricultural Directorships with respect to nominating experts to carry out field investigations and to prepare the necessary valuation reports, which will take into consideration the age, diameter and potential revenue from trees.

In the event that the parties do not agree on the land value determined by the land evaluation commission during negotiations, DSA/BOTA^a will apply for a court rendered valuation decision.

Recent experience has shown relatively large discrepancies between the determination of the DSA/BOTA^a's internal valuation commissions and that of court appointed commissions. A separate programme has been conducted by DSA/BOTA^a in order to ensure that offered compensation values are in compliance with values obtained by the net income calculation method.

5.4 ROLES AND RESPONSIBILITIES FOR LAND ACQUISITION AND COMPENSATION

DSA/BOTA^a has in place an adequate headquarters and field personnel to plan and implement expropriation activities for the Project. Arrangements for internal monitoring will be carried out by DSA/BOTA^a to a limited extent, focusing primarily on tracking progress against the expropriation schedule, payments and other financial arrangements, and pending court cases. BTC Co. will establish complementary monitoring and a structure for safeguarding compliance, outside the scope of the activities of DSA/BOTA^a. Responsibilities for monitoring activities are discussed in Chapter 8.

5.4.1 Organisational Responsibilities of BOTA^a, the Designated State Authority (DSA) and BTC Co

The organisational structure of BOTA^a (including the DSA) is shown in Figure 5.11. In summary, BOTA^a comprises the following departments that are of relevance to the Project:

- The **BOTA^a General Directorate** carries out a range of activities as defined by its role as the State owned Turkish Petroleum Pipeline Company. This includes numerous departments:
 - One of the departments within the General Directorate is the Land Survey and Expropriation Department.

According to the HGA, the Designated State Authority (DSA) is responsible for the execution of all land acquisition activities for the Project. The Ministry of Energy and Natural Resources (MENR) has assigned this role to BOTA^a' Land Survey and Expropriation Department. Hence, some of the staff within the Department have a role within the DSA.
- The DSA has four field offices that will carry out the acquisition activities for the Project.
- The **BTC Project Directorate** has been established within BOTA^a specifically to control and coordinate the BTC Project activities. BTC Co. has assigned the role of

controlling and coordinating the DSA to BOTA^a's BTC Project Directorate. Within the Directorate are several departments:

- One of the departments is the **Land Affairs and Authority Liaison Department** (LAC). This department was created by the BTC Project Directorate to carry out the role of control and coordination of the DSA's activities, according to the Turnkey Contract, and in line with the overall project requirements and international standards. Within the LAC are four teams:
 - Land Affairs (which liaises with the DSA);
 - Permits/Authority Liaison;
 - Construction Department (which will coordinate any additional land acquisition activities that arise during construction); and
 - GIS Department.

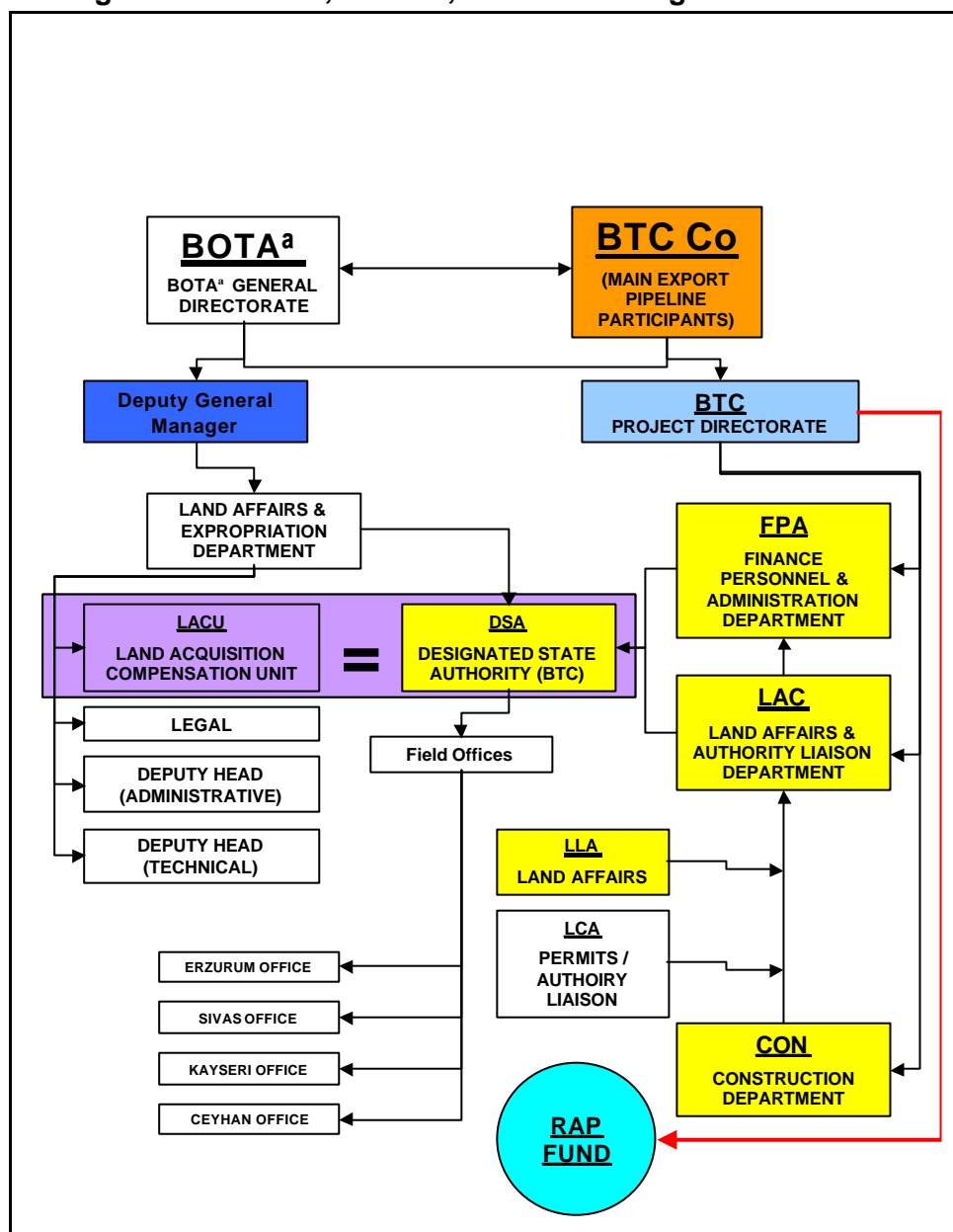
Whilst the DSA is dedicated to implementation of the Project land acquisition, it is not formally within the BTC Project Directorate structure since it comprises staff from the Land Survey and Expropriation Department.

BTC Co. will supervise and monitor the activities of the BOTA^a BTC Project Directorate. Therefore, BTC Co. will indirectly supervise and monitor the activities of the DSA. Arrangement regarding this and the interface between the relevant organisations are detailed in Chapter 8.

The DSA has established four field offices, contracted out many specialised services such as land and asset identification and data base creation, and increased its own staff both at headquarters and in field offices sufficient to carry out the RAP. In addition, the DSA will coordinate and collaborate with staff from other government departments and the private sector, and staff from other units of BOTA^a (in particular the community liaison officers who are charged with interacting with communities on a variety of issues, including land acquisition and compensation, refer to Chapter 7).

When BOTA^a completes its other functions under the Turnkey Contract to build the Turkish section of the BTC Pipeline, its role as DSA to implement and monitor the RAP will not have been completed. It is envisioned that a contract will be established between DSA/BOTA^a and BTC Co. such that BOTA^a can continue to exercise remaining RAP responsibilities.

Figure 5.11 BOTA^a, BTC Co, and DSA Management Interface



5.4.2 Institutional Roles and Responsibilities

BOTA^a is the Designated State Authority that will expropriate the land and immovable assets for the benefit of the Project through the Designated State Authority. BOTA^a will interact with a variety of other agencies with regard to the following:

- General Directorate of Rural Affairs (GDRA), Office of the Prime Minister. Within the specified pipeline corridor, village-crossing roads are identified and schematic-crossing projects will be prepared for the approval of the GDRA and its provincial offices. A protocol between the Regional Directorates of Rural Affairs (RDRA) and DSA/BOTA^a will be signed that must be respected by the various Project contractors for the Project;

- General Directorate of State Hydraulic Works (GDSHW), Ministry of Energy and Natural Resources. Within the specified corridor, irrigation channel, stream and river crossing projects are prepared for implementation under the control of the Regional Directorates of State Hydraulic Works;
- General Directorate of the Turkish Electricity Distribution Corporation (TEDAS). Information on power distribution is entered into the GIS system. When changes are indicated in these facilities, a protocol will be signed with the TEDAS Distribution Network Operation and Maintenance Department to undertake the necessary action;
- General Directorate of Highways (GDH), Ministry of Public Works and Settlement. Within the specified pipeline corridor, highway crossing points are identified using GDH maps and detailed crossing projects will be prepared and submitted to the Regional Directorate of Highways (RDH) for approval. A protocol will be signed between the appropriate RDH and DSA/BOTA^a which will form the framework for crossing projects implemented by the contractors for the Project;
- General Directorate of National Parks and Hunting and Wildlife, Ministry of Forestry. Information on protected lands is entered into the GIS system. The pipeline route will stay outside national parks, in particular, those closest to the corridor such as the Karatepe-Aslantas National Park, the Ardahan-Posof wildlife protection zone, the Gumushane-Kelkit Cernali wildlife protection zone, the Mecidiye forest resort, and the Cemal Turhan nursery forest resort;
- General Directorate of Forestry (GDF), Ministry of Forestry. Information from the Regional Directorates will be entered into the GIS system. Discussions are being held with the GDF on the implications of the Forestry Law and other laws that apply to petroleum pipelines going through forestry areas;
- General Directorate of Forestation and Erosion Control, Ministry of Forestry. Information on the land will be entered into the GIS system of the General Directorate through the Department of Erosion Control and Pasture Improvement;
- General Directorate of Agricultural Product Development, Ministry of Agriculture and Rural Affairs (MARA). The status of affected pasturelands will be changed by the Ministry of Energy and Natural Resources, which will advise MARA on the implementation arrangements;
- General Directorate of Small Arts and Industrial Zones and Sites, Ministry of Industry and Trade. Information will be entered into the GIS system and appropriate action taken to avoid industrial zones and sites, especially the zones of Ardahan and Erzurum which are within the 10km corridor;
- General Directorate of Preservation of Cultural and Natural Entities, Ministry of Culture. DSA/BOTA^a will work with this General Directorate to determine the exact locations of cultural and natural sites during the preparation of the Environmental Impact Assessment;
- General Directorate of State Railways (GDSR), Ministry of Transportation. Details on railway crossings affected by the Project will be prepared in accordance with crossing conditions established by the GDSR and approved by the GDSR regional directorates. Protocols, which the GDSR authorises and provides to the regional directorates, will provide the framework for building crossings; and
- General Directorate of Environmental Impact Assessment and Planning, Ministry of Environment. DSA/BOTA^a has prepared the Environmental Impact Assessment in coordination with this Directorate.

5.5 IMPLEMENTATION ISSUES AND SOLUTIONS

A substantial number of agencies at the national and municipal levels have used the Expropriation Law since May 2001. The most positive aspect of the law is the requirement for funding to be available and paid before expropriation actually happens. However, there are many common elements in the practical problems encountered that apply both to projects that attempt to lease or expropriate land for horizontal projects such as irrigation canals, roads and pipelines and to projects that require a substantial amount of land in a specific site such as wastewater treatment plans, dams and large pumping stations. Experience in the implementation of these laws has revealed areas that can be improved upon and others where there are gaps between the laws and their implementation and World Bank/IFC policies. Implementation issues and recommendations for dealing with them include the following:

- Because of its recent adoption, there is insufficient knowledge about the changes in the Expropriation Law among potentially affected groups⁴ as well as among expropriation specialists;
- There are a large number of issues specifically surrounding institutional capacity and valuation uncertainty;
- Valuation commissions depend on the cooperation of many agencies that may not have the capacity to provide information adequately and quickly;
- Information on crop prices may suggest high variations from year to year, making it difficult to estimate revenue streams from different crops and information for certain crops is more easily obtained and verified than for others. Assessing the valuation of trees, especially those planted among crops, is complex;
- Information on some input and other costs may inflate land values, especially given the high rate of inflation and of real interest rates;
- In preparing the cadastral sheets and in identifying landowners, there may be some lands that are registered private property but are not so identified;
- In practice, in identifying landowners and land users, owners are more easily identified than tenant farmers and other non-owners. Tenant farming arrangements, most of which are informal, including sharecropping, vary by region and by sub-region. This variation is caused, inter alia, by the availability of water. As owners are compensated both for their land and for the value they have created on the land, there is a high risk that tenants and sharecroppers will be excluded from compensation, especially when they have invested in longer term assets such as trees and perennial crops and informal irrigation systems, based on “informal” understandings with landowners;
- In many cases, establishing the addresses of absentee owners is challenging, especially in areas of high out-migration. Since there is no requirement for expropriation agencies to send registered letters with confirmation of receipt, invitations to negotiations cannot always be verified;

⁴ For example, since the new Law requires Valuation Commissions to devote more attention to reaching a “scientific” valuation, the results are often far below the valuations established by local valuation commissions under the old Law, making landowners more reluctant to accept negotiated agreements.

- The approval of ownership lists by regional title deed registry offices may be delayed since the procedures are longer for those involved in establishing ownership of land cultivated under customary rights and where inheritance is not registered;
- The ability of Birth Registration Offices to establish clear inheritance trails varies, and the effort needed to resolve the acquisition of plots with incomplete inheritance status should not be underestimated⁵. Perhaps the most challenging category of ownership identification involves situations where the owner is deceased and the individual rights of the heirs are not registered and/or where the inheritance procedures have not been completed. The identification of the rightful owners requires the use of the Civil Law⁶, which is a lengthy process. In addition, the relatively modest level of compensation associated with a linear project such as a pipeline does not create strong incentives for plot owners to complete the inheritance procedures, especially if the heirs live outside the project area;
- The preparation of land acquisition and expropriation files for individual villages may not include users of common property resources, informal tenants and squatters. The assets of non-owners may also be challenging to identify;
- The Law requires that valuation commissions visit individual plots and that valuation records are created in the presence of owners whose signatures are on the records. However, meeting owners during this process, even when they are identified, is difficult. In addition, owners often refuse to sign the records when they challenge their accuracy;
- The ability of many people to negotiate within the context of the negotiations commissions will vary, especially since they will be dealing with narrow strips of land as well as strips that are divided into additional strips under different contractual arrangements. In addition, this will also be difficult where land has multiple owners without a deed or where heirs have not assumed practical ownership of property;
- Dealing with the registration of undetermined or unregistered land may not compensate those who use the land;
- Valuation commissions will have to establish income flows from each sub-strip of the corridor, especially difficult in lesser developed parts of the country;
- Notification by courts to landowners will be difficult when they are absentee or when land has multiple owners;
- Some of the sociological characteristics of the project areas suggest that land acquisition may take significantly longer than anticipated in certain areas, especially

⁵ Any land registry system will contain errors, some of which will only surface at the time of acquisition of the land and its transfer to DSA/BOTA^a. At least the new Law facilitates this situation by requiring that the compensation funding for land be sequestered in a private bank account until the courts make final determination.

⁶ Changes made recently in the Civil Law provide more equal entitlements to women and men for all assets obtained subsequent to marriage. However, the Law will apply to marriages formed subsequent to the Civil Law changes, which will therefore not apply to most of the land to be acquired under the Project.

those: (i) with lower income levels; (ii) which are ethnically mixed; and (iii) which have seen large out-migration. In cases of non-agreement over valuation and other areas of dispute, less developed parts of the country may be disadvantaged. In addition, implementation of the public disclosure process and of the process of consultation by valuation commissions with local authorities and experts may vary according to local conditions. The institutional capacity for these may be higher in some areas than in others such as, for example, the north-eastern segments of the pipeline;

In the case of non-negotiated compensation, the Law requires the courts to initiate a process to produce a decision that leads to the ability of the expropriating agency to use the land in question relatively quickly. The ability of the courts to follow the timetable of this process differs, especially in areas with overcrowded local courts managed by a single judge dealing with a large number of small plots, which may be the case with the Project. The fact that valuation commissions are not invited to the courts to present their justification in the case of disputed valuation makes the job of the local courts even more challenging.

5.5.1 Key Project Resolutions to Address Implementation Issues

In summary, there are five Project resolutions that are key to resolving some of the potential implementation issues discussed above:

- Increasing awareness among DSA/BOTA^a staff of the issues they may face during land acquisition, especially those who work in the field offices. This is a priority. Capacity building for RAP implementation is thus one of the immediate steps planned prior to the start of land acquisition. In building capacity within DSA/BOTA^a staff, it will be important to enhance DSA/BOTA^a's familiarity with the problems other State and municipal organisations face in land acquisition for linear projects. In early September, training materials were prepared for one segment of the DSA/BOTA^a and BTC CO staff. Training modules more appropriate for the field staff will be finalised and targeted, and custom-tailored training will be held.
- Preparation of a careful expropriation plan that moves well ahead of construction with valuation of individual plots will also be important. To do this, DSABOTA^a will need to expand its field offices and recruit adequate staff. Preparations are already underway to this end.
- Reaching out to the PAPs, visiting each plot and its owner, going directly to the communities for negotiations rather than waiting for them to visit one of DSA/BOTA^a's five regional offices, is yet another important consideration. For this purpose DSA/BOTA^a has created 14 teams of three persons each to visit the affected communities and owners aiming to attain mutually agreed upon land acquisition outcomes.
- Early preparation to reach the absentee owners is crucial. As a first step, BTC Co. has financed a relatively large survey of absentee owners so that the validity of addresses can be checked and a significant portion of the absentee owners can be informed of the Project. This survey has shown that additional work is needed to address verification (Chapter 4). This process was also launched in August 2002 and a final list of absentee owners was compiled. Reader friendly literature should be mailed to affected owners so that they can receive the compensation that they are entitled to; and

- Completing the implementation arrangements for the RAP Fund. The goal of the RAP Fund in Turkey will be to fill the gaps with respect to entitlements between local and international RAP standards. As shown in Chapter 2, these gaps are small and consist primarily of compensating remote villages that will partially lose access to common property resources such as forests⁷ and pastures. The Fund will be supplemental to individual compensation for assisting project-affected people. The Fund will (a) provide a commonly accessible means for income improvement for residents of villages affected by expropriation; and (b) focus on disproportionately affected people (higher proportion of land to be affected by expropriation). BTC Co. staff in Turkey will manage the Fund. The implementation details will be formulated in a consultative manner both with the communities involved and with DSA/BOTA^a.

5.5.2 Use of the RAP Fund (Superseded - Refer to Annex 5.1)

The RAP Fund will be implemented according to following principles:

- Fair and transparent valuation and compensation;
- It will take into account the requirements of OD 4.30;
- It will act where local law has no basis for compensation;
- Proposed schemes will take into account the views, roles and rights of groups, including NGOs and local communities. Consultation has been undertaken on mitigation options and further liaison will be completed to refine strategies; and
- Schemes will be developed that take into account and balance the socio-economic needs of local communities

Chapter 4 presented valuable ideas obtained from villagers who may suffer small reductions in their well being as a result of loss of forests, pastures and other common property resources such as fisheries. Based on the feedback from the communities, the potential activities to be financed by the Fund could include the following:

- Forestry improvement programs financed by the Fund and matched by ORKOY could help these become viable and sustainable businesses for local residents; and
- Agricultural improvement programmes.

Based on the GIS data, communities that will suffer relatively greater restricted access to forest and pasture lands are being identified. The Project also identified other categories of PAPs who are not eligible for compensation under Turkish Expropriation Law during the initial data census. However, this initial figure does not reflect the final status of the land owners/users since the final statistics show that the number of people who are registering their lands is increasing day by day. This is largely a result of the WB programme, which provides subsidies to farmers in order to encourage agricultural production. One of the main requirements for eligibility in the WB Programme is the registration of land titles.

The BTC Project will assist the formalisation of the ownership rights in cases where customary ownership exists. The Project has already initiated a process of formalisation of the customary ownership of all affected groups to have the courts recognise the customary ownership rights. In

⁷ Forests are an important source of firewood and timber for those living in forest areas. In villages where access to forest is hindered by construction, it is imperative to provide alternative sources of firewood and timber for residents. In addition, production and sales of forest products comprise a small but important source of income for some villages in these areas.

the case of illegal users (forestry lands, pasture lands, squatters etc) the Project will compensate the loss of the Project affected people through the RAP Fund.

Special consultations will be held with those communities where land expropriation will be a priority to meet construction requirements. The purpose will be to define the additional arrangements that will have to be made for Fund implementation. The schedule for this activity is presented in Chapter 10.

The RAP Fund will be established by the BTC Co to be used in cases where the Turkish Legislation does not permit compensation.

The RAP Fund will develop the principles and mechanisms of how compensation for project affected populations (PAP) will be made (for those not covered under Turkish Legislation). Currently, the aim of the Fund is to follow a similar methodology to the Community Investment Programme to be implemented by BTC Co. The two programmes will complement one another and will develop joint synergies in ensuring that the Project has a positive impact on PAPs along the entire pipeline route and the BTC Marine Terminal. The main difference between the two funds is that the RAP Fund will be responsible for dealing with compensation and mitigation issues, whilst the CIP goes beyond mitigation and compensation and seeks to provide 'additionality' to the Project's activities.