

## 9 BUDGET

### 9.1 INTRODUCTION

The budget for RAP development and implementation defined by the Turnkey Contract between BTC Co. and BOTA<sup>a</sup> is summarised in Figure 9.1. The budget includes costs to date for RAP development and future cost projections for RAP implementation. The activities with the highest cost implications are the compensation awards for land expropriation and damage to, or loss of, assets and crops.

### 9.2 COSTS FOR RAP DEVELOPMENT

The costs for development of the RAP have comprised:

- Staff salaries for BTC Co. and BOTA<sup>a</sup> experts;
- Fees for expert consultants advising on RAP development and preparation of the RAP report;
- Administrative costs for BTC Co. and BOTA<sup>a</sup>, including expenses for office and support facilities; and
- Costs of conducting the socio-economic survey, absentee owner survey and landowner census; including consultant fees and expenses.

BTC Co.'s costs for staff salaries, external consultants, administrative costs and production of public briefing materials are not included in the total RAP budget presented in Figure 9.1. Many of these costs have been shared between RAP and EIA activities, including consultation, disclosure, planning and aspects of route selection and narrowing.

### 9.3 COSTS FOR RAP IMPLEMENTATION

The costs for implementation of the RAP (excluding monitoring and evaluation) will include:

- Compensation that will be awarded to project affected private landowners and land users;
- Compensation that will be awarded to the Treasury and other public authorities for state owned lands;
- Staff salaries for BTC Co and BOTA<sup>a</sup> experts;
- Administrative costs for BTC Co and BOTA<sup>a</sup>, including expenses for office and support facilities;
- Transportation costs for negotiation teams;
- Costs for Court proceedings and expenses;
- Expenses for producing and distributing the letters of notification;
- Costs for making public announcements, in particular to absentee landowners; and
- Costs for registering title deeds for expropriated lands.

The total costs for RAP implementation (excluding monitoring and evaluation) between October 2002 and September 2003 was budgeted at US \$74,250,000. All other land acquisition activities carried out by BOTA<sup>a</sup>, prior to October 2002 and after September 2003 (at which time the land acquisition is complete), were provided with a total budget of US\$24,750,000. These costs included preparation for land acquisition prior to October 2002 (e.g. staff salaries

and costs for the landowner census) and future costs for activities beyond the completion of land acquisition, such as ongoing monitoring.

The budget for compensation of permanent and temporary land acquisition from private and customary landowners accounts for 11% of the total RAP budget. The most significant cost item is payment for use of forestlands, accounting for 27% of the total RAP budget.

## **9.4 COSTS FOR MONITORING AND EVALUATION**

The BOTA<sup>a</sup> costs for monitoring and evaluation will total US\$1,500,000 representing 2% of the total RAP budget. As described in Chapter 8, additional monitoring and evaluation activities will be carried out by BTC Co. and third party independent monitors (under contract to BTC Co.).

## **9.5 PROJECT FINANCING**

The majority of costs for RAP development, implementation, monitoring and evaluation will be borne and paid by BOTA<sup>a</sup> (including DSA) under the terms of the Turnkey Contract with BTC Co. BTC Co. will bear and pay certain related costs, such as BTC Co. staff and administrative costs, monitoring and evaluation by BTC Co. and independent monitors, and the RAP Fund.

The schedule for payments for land acquisition from private and public landowners and for payment of crop compensation to landowners/land users is discussed in Chapter 10. Payment for permanent and temporary land acquisition, and asset and crop compensation will be paid prior to land entry. The arrangements for making payments to landowners and land users are described in Chapter 5.

The budget is funded in United States Dollars so that risks arising from local currency devaluations are minimized. Compensation will be disbursed in Turkish Lira. Contingency is built into the RAP Budget for the Turnkey Contract (see Figure 9.1). In addition, the RAP Fund provides the opportunity to mitigate unforeseen impacts that are identified by the monitoring and evaluation programme.

**BTC PROJECT RESETTLEMENT ACTION PLAN  
TURKEY  
FINAL REPORT**

**Figure 9.1 Budget for RAP Preparation, Implementation and Monitoring**

Cost Items	Total (\$)	Period of Expenditure	Source of Funding
<b>Land Acquisition Management (BOTAS/DSA)</b>	<b>5.745.600</b>	<b>Oct 02 to Sept 03</b>	<b>Turnkey Contract</b>
Staff salaries	3.360.000	Oct 02 to Sept 03	Turnkey Contract
Office expenses	384.000	Oct 02 to Sept 03	Turnkey Contract
Transportation	1.008.000	Oct 02 to Sept 03	Turnkey Contract
Consultancy services	600.000	Oct 02 to Sept 03	Turnkey Contract
Legal representatives	240.000	Oct 02 to Sept 03	Turnkey Contract
Court assistance	153.600	Oct 02 to Sept 03	Turnkey Contract
<b>Customary Ownership Cases</b>	<b>1.601.630</b>	<b>Oct 02 to Sept 03</b>	<b>Turnkey Contract</b>
Application fee	64.180	Oct 02 to Sept 03	Turnkey Contract
First advertisement	31.500	Oct 02 to Sept 03	Turnkey Contract
Valuation by experts	1.444.050	Oct 02 to Sept 03	Turnkey Contract
Notification by court	30.400	Oct 02 to Sept 03	Turnkey Contract
Second advertisement	31.500	Oct 02 to Sept 03	Turnkey Contract
<b>Private Non-Agreement Cases</b>	<b>3.000.670</b>	<b>Oct 02 to Sept 03</b>	<b>Turnkey Contract</b>
Application fee	122.760	Oct 02 to Sept 03	Turnkey Contract
Advertisement	70.350	Oct 02 to Sept 03	Turnkey Contract
Valuation by experts	2.762.100	Oct 02 to Sept 03	Turnkey Contract
Notification by court	45.460	Oct 02 to Sept 03	Turnkey Contract
<b>Land Acquisition Payments</b>	<b>63.902.100</b>	<b>Oct 02 to Sept 03</b>	<b>Turnkey Contract</b>
Rental of main campsites	115.000	Oct 02 to Sept 03	Turnkey Contract
Rental of P/S campsites	248.985	Oct 02 to Sept 03	Turnkey Contract
Temporary Land-Private	2.427.425	Oct 02 to Sept 03	Turnkey Contract
Temporary Land-Customary	913.550	Oct 02 to Sept 03	Turnkey Contract
Temporary Land-State	1.624.920	Oct 02 to Sept 03	Turnkey Contract
Permanent Land-Private	5.398.400	Oct 02 to Sept 03	Turnkey Contract
Permanent Land-Customary	1.943.260	Oct 02 to Sept 03	Turnkey Contract
Permanent Land-State	3.684.450	Oct 02 to Sept 03	Turnkey Contract
Forestlands-Damage/loss, Afforestation	4.949.398	Oct 02 to Sept 03	Turnkey Contract
Forestlands-Annual/Right to use	21.841.762	Oct 02 to Sept 03	Turnkey Contract
Assets	1.410.000	Oct 02 to Sept 03	Turnkey Contract
Crops	840.000	Oct 02 to Sept 03	Turnkey Contract
Registration	2.561.200	Oct 02 to Sept 03	Turnkey Contract
Land acquisition monitoring	1.500.000	Oct 02 to Sept 03	Turnkey Contract
Contingency	6.390.210	Oct 02 to Sept 03	Turnkey Contract
Future land acquisition, damage/loss indemnification	8.053.540	Oct 02 to Sept 03	Turnkey Contract
<b>TOTAL BUDGET UNDER TURNKEY CONTRACT</b>	<b>74.250.000</b>	<b>Oct 02 to Sept 03</b>	<b>Turnkey Contract</b>
<b>Land Acquisition Costs Over the Lifetime of the Project (excluding Oct 02 to Sept 03)</b>	<b>24.750.000</b>	<b>Prior to Oct 02 and After Sept 03</b>	<b>Turnkey Contract</b>
<b>TOTAL RAP BUDGET</b>	<b>99.000.000</b>		

**Figure 9.2 RAP Monitoring and RAP Fund**

	Total (over three years)	Annual distribution		
		Year 1	Year 2	Year 3
<b>Monitoring and evaluation</b>				
Baseline socio-economic survey updates	90,000	30,000	30,000	30,000
Special studies on AGIs	30,000	10,000	10,000	10,000
Targeted baseline for fisheries	50,000	50,000		
Monitoring of fisheries	50,000		50,000	50,000
Report writing	60,000	20,000	20,000	20,000
External expert monitoring team	90,000	30,000	30,000	30,000
Disclosure and periodical RAP updates	30,000	10,000	10,000	10,000
RAP Completion Audit	60,000	-	-	60,000
<b>SUB-TOTAL FOR MONITORING</b>	<b>460,000</b>	<b>150,000</b>	<b>150,000</b>	<b>210,000</b>
<b>RAP Fund activities</b>	<b>2,000,000</b>	<b>1 000,000</b>	<b>500,000</b>	<b>500,000</b>