

Executive Summary

- a. Natural Gas Pipeline (TANAP) Project is part of the Southern Gas Corridor, and aims to transport the Azeri natural gas from Shah Deniz 2 Gas Field and other fields in the southern Caspian Sea to Turkey and Europe through the TAP Project. This RAP for Above Ground Installation (AGI) aims to specify the types of PAPs that are affected from the land acquisition activities of AGIs, lay out their socio economic profile baseline data and expectations and identify specific impacts and mitigation measures pertaining to AGIs and access roads to AGIs. The objective of RAP is assist the PAPs to improve their living standards and incomes and ensure that compensation is paid prior to taking over of their land and assets. AGIs for the TANAP project include 7 compressor stations, 4 Metering stations, 11 Pig Launcher and receiver facilities, 49 Block Valve Stations (BVS), and 2 Off-Take points.
- b. The land acquisition for the Project does not entail any physical resettlement, yet invokes World Bank's OP 4.12 due to potential economic displacement. While this AGI RAP builds on the existing the TANAP pipeline route RAP, the AGI RAP particularly emphasizes the impact of permanent loss of land on the PAPs, defines types of economic displacement, identifies gaps between World Bank's OP 4.12 on Involuntary Resettlement and national legislation, proposes mitigation measures to minimize potential adverse impacts and enhance Project's benefits and defines the monitoring framework for the future of the Project.
- c. Total land acquired for the Project covers 263ha across 578 parcels, which belong to private and public ownership¹. Majority of the impacted land belongs to private ownership (79 percent). The Project acquired 458 parcels from private ownership, impacting 936² Project Affected Persons (PAPs).
- d. There are 18 provinces, 50 districts and 67 villages/neighborhoods impacted by Project's land acquisition activities for AGIs (compressor stations, metering stations, pig stations and BVSs). The provinces are located across Turkey, with Ardahan located on the Eastern border with Georgia, to Edirne located on the Western Border with Greece. The socio-economic profile of each settlement differs significantly depending on the location, the geological setting, weather and economic development level.
- e. TANAP's land acquisition process is guided by Intergovernmental and Host Government Agreements signed between the Government of the Republic of Turkey and the Government of the Republic of Azerbaijan on 26th of June 2012 and published in the Official Gazette on the 19th of March 2013. These agreements have become effective as Law No. 6375 of the Republic of Turkey. The Project's land acquisition activities will be performed in compliance with these agreements, with the Turkish Expropriation Law, and World Bank's OP 4.12 policies. Laws of the Republic of Turkey and international safeguard policies will guide the Project's land acquisition and livelihood restoration activities. TANAP is committed to follow international and national legal policies on land acquisition and resettlement. In case there is a conflict in interpretation of the provisions of this RAP, the provisions as available in the World Bank's OP 4.12 Involuntary Resettlement will prevail.
- f. There are two categories of PAPs. The first category consists of those who have legal title to their land. This group may have other assets such as vineyards, trees, barns, and other immovable

¹ Public ownership category includes Treasury land, pasture land, land belonging to Village Legal Entity. Communal land. The number of parcels and PAPs include all AGIs. Parcels required for compressor stations, metering stations, pig stations, block valve stations and access roads.

² This number is the official title/deed holders according land registry, which includes BVS.

structures on their land. In accordance with Article 3 of the Expropriation Law (No. 2942), the legal owners are entitled to full payment for their land and whatever immovable assets and crops they may have on it. The second category consists of PAPs that cultivate land but have no legal title on it. This group consists of two different categories: a) users or tenants; b) owners without title deed. The users, whether formal tenants or not, that cultivate public or private land that does not belong to them are entitled to compensation for standing crops, trees, vineyards, and buildings both by local laws and World Bank OP 4.12.

g. TANAP ensures that the valuation results will comply with local procedures and international standards. TANAP will explicitly allow for full replacement cost for all assets and will ensure that lost income is fully restored through the compensation process. The agricultural land is valued by using the net income approach. Through applying this enhanced valuation methodology, it is further aimed to prevent the gaps that may occur from the valuation methodology stated in Article 8 and 11 of the Expropriation Law. During valuations, paying the loss of productivity due to construction activities in addition to the land value will also be considered. During the negotiations, if the value is not agreed upon by parties; LRE will apply Article 27 of the Law which will then be followed by Article 10 process.

h. Land acquisition for AGI has commenced for 349 of the 458 parcels impacted by the Project. Of the 349 parcel owners, 175 did not come to agreement meeting, 129 parcel owners did not agree to proposed compensation and 45 parcel owners agreed to proposed compensation. High level of lack of attendance can be attributed two factors; high rates of absentee owners and/or owners that do not want to seek any agreement prior to court.

i. The number of PAPs that agreed to Article 8 negotiations depends on the location. The overall average is 10 percent where as in Eskisehir this rate is as high as 87 percent. Other than Eskisehir, none of the parcel owners agreed to first compensation valuations offered by BOTAS. The PAPs that did not agree with the initial Article 8 offer, or declined to attend the meetings, awaited the decision of Court Ruling according to Article 27. The compensations offered under Article 27 were significantly higher than those offered by the Article 8 negotiations. Compensations for Article 27 are paid fully to the title owners' account, yet Article 10 court cases are filed by TANAP due to unexpectedly high compensation prices of court's ruling. The discrepancy in Court compensation rulings and Article 8 compensations are attributed to differences in compensation valuation system. The discrepancies are caused by different categorizations according to type of land, calculation of net income according to highest yielding product, right to objective increase judgment given to the expert to increase values, and calculations of the capitalization rate.

j. A Socio-economic field study conducted during 25.07.2016-04.08.2016 with 182 PAPs impacted by CS and MS. The BVS field was conducted during 31 August- 9 September 2016 with 83 PAPs. In order to complement the quantitative survey, qualitative methods were used to reflect PAPs livelihoods, vulnerabilities, perceptions about the TANAP AGI and BVS Projects and expectations from the Project. 27 focus group meetings with vulnerable groups. 50 in-depth interviews with village headmen, and 41 stakeholder meetings with Project's stakeholders such as BOTAS regional offices, municipalities, governorates, district chambers for agriculture were conducted. Overall, 473 PAPs were consulted to assess the census and depict socio-economic conditions of PAPs through qualitative and quantitative studies. Main findings of the consultations illustrate that PAPs do not have a clear distinction between land acquisition for the pipeline versus land acquisition for AGIs. AGI specific consultations were not carried out, hence the PAPs do not have solid information regarding the AGI Project. They would like to be informed further regarding Project details, timeline and employment opportunities. PAPs perceive Article 8 Compensations for AGIs to be lower than the compensations offered for the pipeline; thus PAPs are opting to dispute the land compensations in court. It was

observed on the field that PAPs are not aware of how to use the grievance mechanism, there is reluctance to file written complaints; most PAPs prefer verbal channels to communicate their grievances, which makes it challenging to assess and resolve grievances. There are numerous parties acting on behalf of TANAP. Another outcome of the consultation was that PAPs cannot distinguish the responsible parties such as contractors/TANAP/BOTAS; and file their grievances to whoever is available on the field.

k. TANAP started to implement AGI specific disclosure in order to respond to all concerns raised by PAPs including Project information, grievance mechanism, compensation strategy, employment opportunities, subcontractors and Project details regarding implementation. The first disclosure meetings took place in 5 settlements which were most impacted by AGI land acquisition. Disclosure meetings included information about land acquisition of the Project, RAP entitlements, construction related impacts and grievance mechanism. The questions of PAPs on Project were collected and responded. Even though the meetings were well attended and PAPs participated actively in discussions, there was no attendance from local women. In compliance with gender integration aspect to RAP implementation particularly women's disclosure, TANAP will develop an effective and culturally appropriate way of communication with local women in collaboration with site social staff. This will also aim to bridge gender gap which was evident in the AGI disclosure meetings.

l. The census survey was completed with 1008 PAPs in 265 households. According to results of the census survey, 54 percent of the PAPs are male and 46 percent are female. The average household size in the Project affected settlements is 3.9. Gender and age distribution amongst the settlements reveal that around half of (% 48) the PAPs are of active working age (16-50); around 22 percent of the PAPs are in 50-65 working age group, and 14 percent are above age 65. Education levels of the PAPs depend on the settlement and age. Illiteracy rate is at 10 percent; women's illiteracy is higher than men, yet illiteracy is seen only amongst the elderly.

m. Agriculture is the main employment pattern across PAS. Other than agriculture, income-generating employment is very limited. Pensioners comprise 7 percent of the overall PAPs. The household's incomes and expenditures depend on their settlements. Overall average annual income for PAHs is 52,657 TL, and expenditure is 61,708 TL. According to survey results Ardahan has the lowest income and expenditure levels and Eskisehir has the highest; which is in line with both provinces socio-economic setting within Turkey. 65 PAPs amongst 265 surveyed declared that they were indebted with a mean indebtedness of 23,112 TL annually. PAP's were asked a question to judge their livelihoods according to ability to meet basic needs. Overall, only 7 percent of the PAPs stated they managed it easily meaning they are well off economically. 17 percent of the PAPs declared that they find it extremely difficult to make a living.

n. The main impact of the Project on assets was loss of land according to survey results. None of the PAPs declared any other loss to assets, such as homes, and barns. The type and size of land loss depends on the location. The Project's impact on total land holdings are categorized according to ratio of lost land to total land holdings of the PAPs³. According to PAP's declaration almost half of the households lost less than 20 percent of their total land holdings due to permanent land take resulted from MS and CS specific AGIs. TANAP Project will target those PAPs who are subjected to loss of livelihood to prepare and implement a livelihood restoration program (LRP).

³ Total land holding figure is based on PAP's response to household surveys. The survey asked the total size of land holdings and the size of remaining land, and PAPs answers are included in the calculation.

o. Vulnerable groups to be identified by the Project are women, elderly, disabled, poor and landless PAPs. Appropriate measures will be designed in consultation with these groups to mitigate their needs arising out of project impacts.

p. There are a number of other major projects in the vicinity of TANAP AGI construction project locations including other pipeline projects, energy projects, irrigation projects and some energy projects as well as some transport developments, which could together with the effects of the Project result in cumulative impacts for the PAPs of the Project. TANAP will devise mitigation measures in LRP in line with these cumulative impacts identified in the RAP.

q. TANAP has already adopted a grievance mechanism⁴ that is integrated to its stakeholder engagement plan and electronic tracking database that is called OSID. The purpose of this mechanism is to establish the process and responsibilities for handling and monitoring of Grievances received from TANAP stakeholders including Project affected people (PAP), NGOs, Employees, third parties and other members of the public in context of Project. TANAP and all its related sub-contractors use this grievance mechanism. An "Appeals Committee" will be constituted separately within each of the four construction lots corresponding AGIs. The mandate of Appeals committee will be limited to consider complaints where the affected people are not satisfied with the decision of TANAP on their complaints. The Appeals committee will consist of 3 members chosen from the local universities, local institutes, local NGOs or persons of repute from the local area.

r. The RAP established institutional and implementation arrangements and a monitoring and evaluation mechanism that includes indicators, implementation schedule, and budget. To comply with the World Bank policies. TANAP will ensure that the RAP is made available to public access and disclosed at Project affected settlements. The outcome of the consultations will be incorporated in the final RAP. TANAP will also make sure that the RAP is distributed among pertinent stakeholders (i.e. relevant ministries, provincial directorates of various state authorities, governorships and sub-governorships, universities etc.) of the Project in local language for review.

⁴ TNP-PCD-SOC-GEN-001