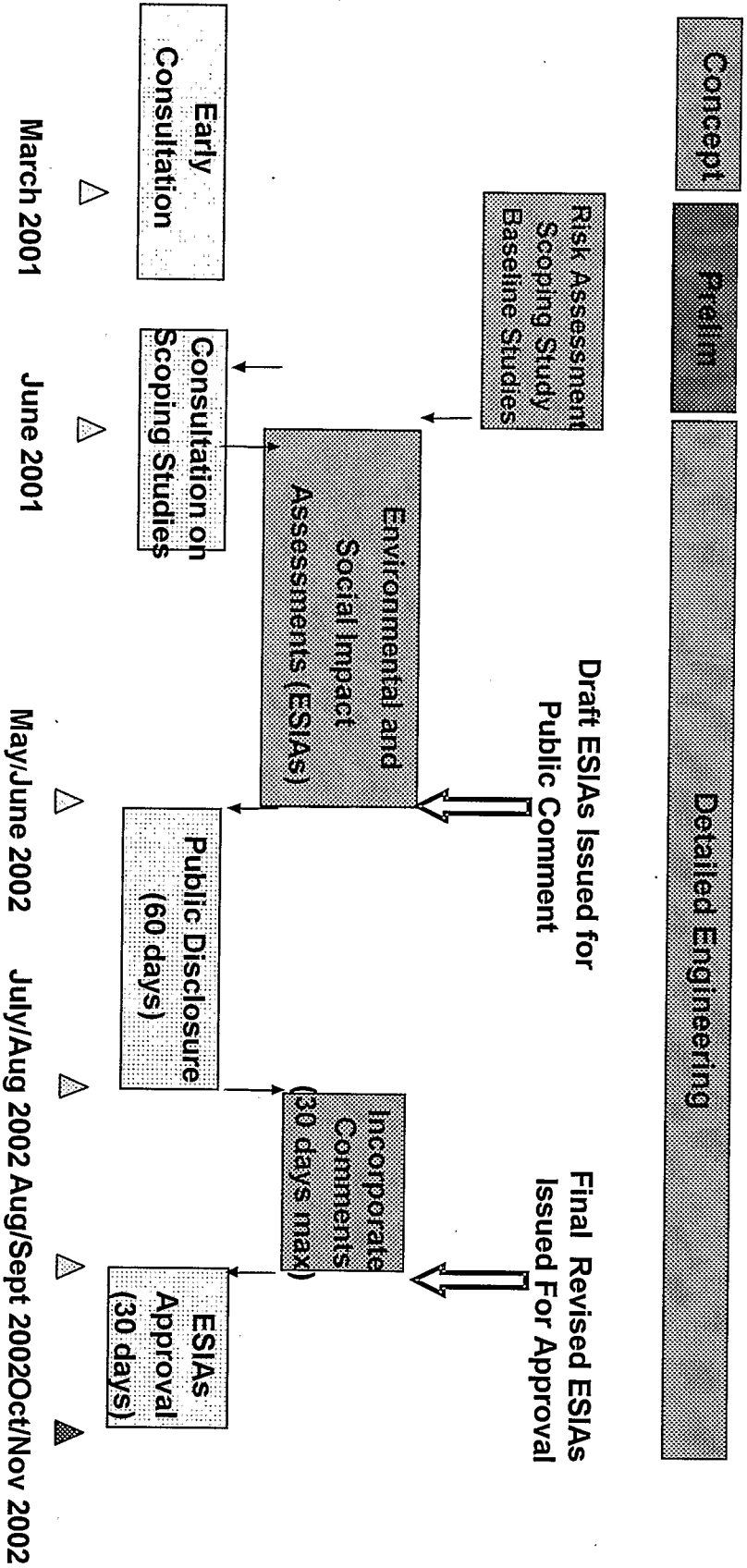


Environmental & Social

Impact Assessment

Programme Update

BTC ESIA - Schedule



Note, a further disclosure period will commence 4Q 2002 when the IFIs disclose the BTC ESIA and associated documents

ESIA Programme - Status Update

- ESIA Scoping - 2000/2001
 - Drew on existing data from WREP in Az/Ge
 - World Bank Feasibility Study in Tu
 - Literature reviews
 - Desktop studies
 - Consultation with international and national scientists and experts
 - Early field work involving integrated route evaluation teams
- Early Consultation during Scoping
 - Workshops with scientists & academics
 - Workshops with Social and Environmental NGOs
 - Meetings with Regulators
 - Social Baseline Studies of Communities along the pipeline route
- Production of Environmental and Social Scoping Reports - 2001
 - Azerbaijan, Georgia and Turkey
 - HGA Deliverables

ESIA Programme - Status Update

- 2001/2002 ESIA Work Programme
 - Continuation of Baseline Studies & Risk Assessments
 - Continuation of Consultation Activities
 - Commencement of Formal ESIA Processes
 - Ongoing consultation with Project Affected Communities
 - Route Refinement & Iterative Environmental and Engineering Field Studies
- Draft ESIA's completed in June/July 2002
 - Azerbaijan Draft ESIA disclosed -
 - Georgian Draft ESIA disclosed -
 - Turkish Draft ESIA disclosed - 24th June 2002
- Draft ESIA Disclosure Period through July/August/September 2002
 - 60-day HGA defined period

ESIA Programme - Status Update

- Final ESIA's incorporating comments from disclosure period were issued for Government approval in late September and early October
 - Turkey Final ESIA - 17th September 2002
 - Azerbaijan Final ESIA - 24th September 2002
 - Georgia Final ESIA - 2nd October 2002
- National Regulators are:
 - Ministry of Ecology & Natural Resources (MENR) - AZ
 - Ministry of Environment (MoE) + Georgian International Oil Company (GIOC)
 - *Ge*
 - Ministry of Environment (MoE) - Tu
- Resettlement Action Plan (RAP) nearing completion
 - NO physical displacement/resettlement
 - Covers temporary (and limited permanent) land use & associated Compensation
 - Conducted in accordance with OD4.30

ESIA Programme - Look ahead

- Environmental Investment Programme (EIP)
 - EIP report prepared
 - Consulting with international NGOs and national organisations
 - RFPs issued in November - transparent & fair process
 - Responses evaluated in Early Jan
 - Projects commence February
- Community Investment Programme (CIP)
 - CIP RFPs prepared
 - Ge RFP issued in Sept
 - AZ/Tu FRPs issued end Oct
- Pre-mobilisation Planning
 - BTC & Contractor EMS development
 - BTC & Contractor Environmental & Social Management Plan Development
 - Pre-Construction Surveys continue e.g. Archaeology Phase 3 surveys
 - Studies continue e.g. Oil Spill Response Planning

ESIA Consultation & Disclosure Update

ESIA Consultation & Disclosure Process

- Draft ESIA Disclosure Period through July/August/September 2002
 - 60-day HGA defined period
 - Public Meetings in national & regional centres
 - Community Road Shows
 - Workshops with scientists and regulators
 - Meetings with national, regional and local Government officials
 - Meetings and Workshops with national/international NGOs
 - Meetings with any other interested stakeholders
- Documented in Public Consultation & Disclosure Plans (PCDPs)
 - PCDPs updated
- Comments
 - Responses addressed in updated Final ESIA submitted for approval
 - Responses Made Public

Disclosure Materials

- Draft ESIA's - Hard Copies
 - Translated into Azeri & Russian (Az); Georgian & Russian (Ge); Turkish (Tu)
 - Placed in key public locations in national and regional centres (libraries, NGO resource centres; Executive Offices; Institutes; UN resource Centres etc)
 - Available at all meetings
 - Placed on Project Website - www.caspiandevlopmentandexport.com
 - CDs available on request
- Non-Technical Executive Summaries of ESIA's - Hard Copies
 - 20-30 page ESIA Summary
 - Translated, available and distributed as above
- Community Information Leaflets
 - 15-20 page leaflet
 - Focused on Project Affected People
 - Addresses key topics of concern/interest e.g. land acquisition & compensation, employment, construction, health & safety, camps, environment
 - FAQ structure
 - Translated & Distributed to all project affected communities
- Display Panels
 - Illustrate key issues for use in Public & Community Meetings

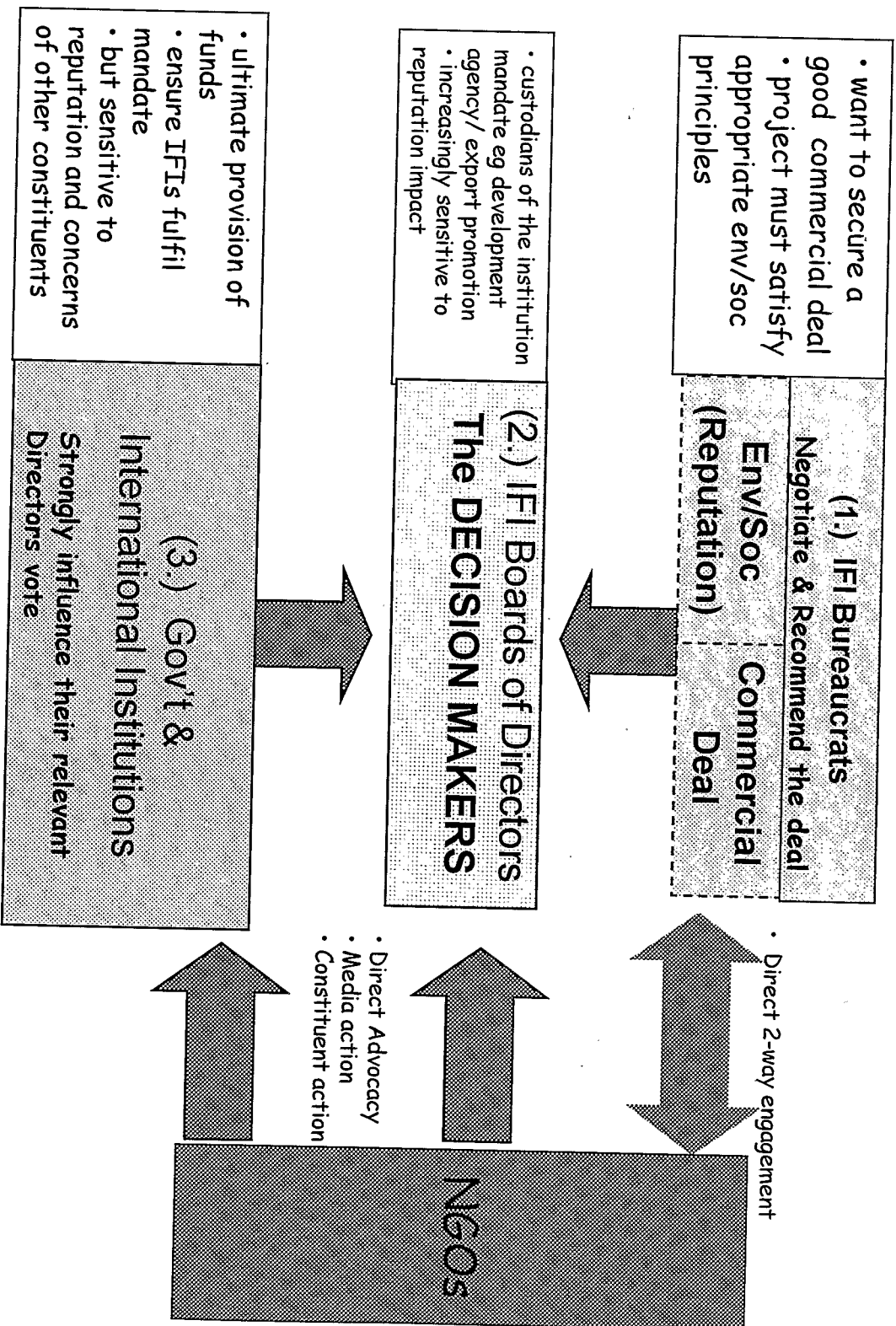
Additional Information Sources

- BTC Environmental & Social Overview Document
 - Consolidates data from 3 ESIA's in over 10 volumes into 1 document
 - Focuses on key issues of public/stakeholder interest
 - Provides an overview of all 3 countries in one digestible document
 - Public document on website & hard copy
 - Translated into Russian, Azerbaijani, Georgian & Turkish
- Posters
 - Focus on specific topics of interest
 - Present data in a more digestible form than the ESIA's
 - Publicly available
- Issues Sheets, Presentations & CDs
 - Focus on specific topics of interest, e.g. sensitive and/or protected areas
 - Consolidate dispersed information into one document
 - Maintain a technical focus
 - Public documents
 - Eg Gobustan CD; Borjomi Briefing Papers; Turkey Sensitive Areas Leaflet

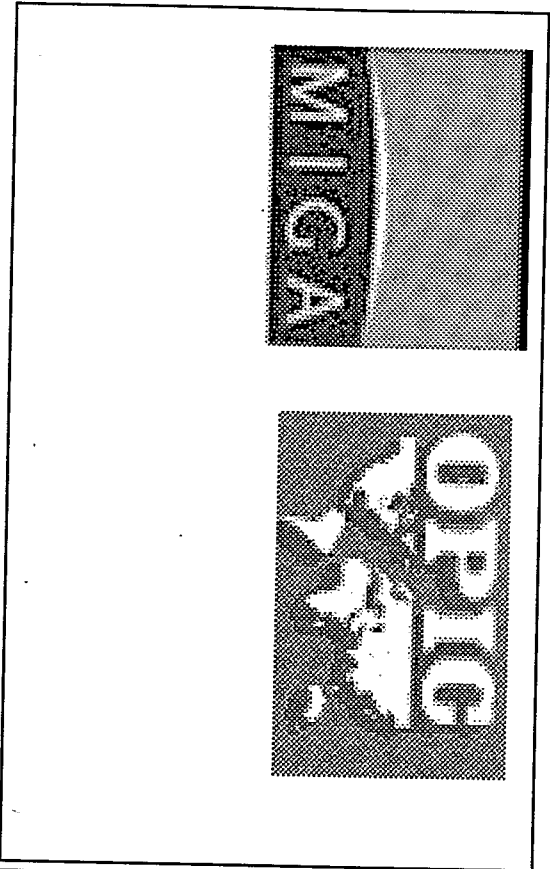
Feedback Mechanisms

- Feedback Mechanisms:
 - Electronically through the feedback form on <http://www.caspiandevelopmentandexport.com>
 - In Writing through the Feedback Forms distributed with the Community Information Leaflets
 - In Writing to the Regulators
 - In Person to the ESIA teams during the Public & Community Meetings
 - In Person to the Land Liaison Officers
 - In Person to the Community Liaison Officers
 - By Telephone - free phone number
- Summary of Comments Received:
 - Azerbaijan ca. 800
 - Georgia ca. 3000+
 - Turkey ca. 1500










Finance - Engaging Key Stakeholders



Lenders



- Political Risk Insurers
- provide cover for monies coming from commercial banks - "sweet loans"

IFI	Value* (\$m)
 International Finance Corporation	400
 European Bank for Reconstruction and Development	400
 Nippon Export and Investment Insurance	350- 400
 JAPAN BANK FOR JIBC INTERNATIONAL COOPERATION	400
 Multilateral Investment Guarantee Agency	200
 SACE	150
 Coface	80
 Coface	80
 Coface	50

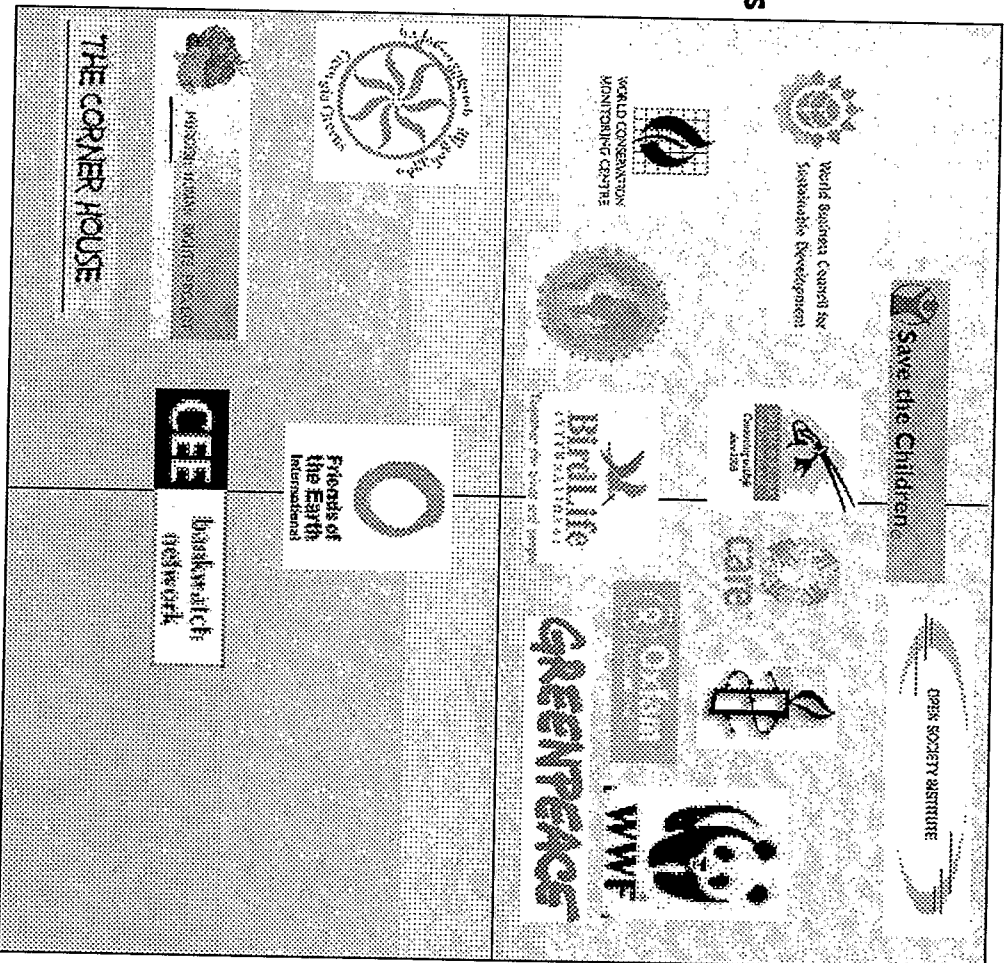
Global NGO Framework

Influencers

*Soros's
Grants*

Polarizers

Kurdish



See Appendices for detailed analysis of NGOs involved

Engage in logical manner as part of Licence to Operate at BU level (eg. Public Consultation and Disclosure) and continue routine Reputation Process at Corporate Level.

Programme is 'Project Driven' by us

Engage on key issues:

- Social - Oxfam etc
- Revenue management - Soros etc
- Environmental - WWF, Birdlife etc
- Human rights - Amnesty
- Shock tactics - Greenpeace

No need to engage actively; this would only legitimize their case. But by all means engage opportunistically.

Recognise their targets are the IFIs

Balance their arguments with lobby campaign to politicians and IFI boards

Operate as 'cells' with small representation in each country.

Programme is 'Event Driven' by them i.e. meetings like; T'berg, WTO, IMF etc