

# THE LEGAL REGIME FOR THE BAKU-TBLISI-CEYHAN (BTC) OIL PIPELINE PROJECT

## Company Undertakings on the OECD Guidelines and Implications of the UK National Contact Point's March 2011 Final Statement on the BTC Specific Instance

by  
The Corner House  
Kurdish Human Rights Project  
PLATFORM

9 March 2011

### 1. THE BTC LEGAL AGREEMENTS

The Baku-Tblisi-Ceyhan (BTC) oil pipeline project is subject to a bespoke legal regime that was specifically negotiated between the BP-led consortium, BTC Co, and the three countries through which the BTC pipeline passes.<sup>1</sup>

The project's legal regime consists of a number of agreements, which govern the construction, development and operation of the pipeline, and the social and environmental standards with which the project must comply.<sup>2</sup>

In respect of the project's commitments to complying with the OECD Guidelines on Multinational Enterprises,<sup>3</sup> the main agreements of importance are:

- **The Intergovernmental Agreement (IGA)<sup>4</sup>**  
The IGA is a trilateral agreement between Azerbaijan, Turkey and Georgia, which was signed on 18 November 1999. The IGA affirms each country's support for the pipeline and sets down several mutual undertakings to ensure the project's construction and operation. The IGA has the status of an international treaty.
- **The Host Government Agreements (HGAs)<sup>5</sup>**  
The HGAs are individual agreements between BTC Co and each of the countries. They define the capital and resources that each signatory is to provide to the project, the timetable by which this project would be developed, the standards that it must meet, and the domestic legislation, both current and future, to which the project is subject.<sup>6</sup> The HGAs have been incorporated into domestic law in all three host countries and override all domestic law (other than the national constitutions) where such law conflicts with the terms of the HGAs and the IGA.<sup>7</sup> They are enforceable as contracts between BTC Co and each country.<sup>8</sup>

- **The Joint Statement**<sup>9</sup>  
In 2003, in response to the concerns raised by non-governmental organisations about the BTC project, including the concerns raised in the OECD Complaint, BTC Co and the host governments signed a Joint Statement in which they committed to ensure that the pipeline project would adhere to the OECD Guidelines and the Voluntary Principles on Security and Human Rights.<sup>10</sup> As detailed below, the Joint Statement is a “Project Agreement under the HGA, making it a binding obligation on all parties.”<sup>11</sup> BTC Co has also covenanted to the project’s financial backers to adhere to the Joint Statement.<sup>12</sup>

## **THE BTC COMPLAINT AND THE UK’S RULING ON BP’S BREACH OF THE OECD GUIDELINES**

In April 2003, six environment and human rights groups lodged a Complaint against BP in relation to the BTC project under the OECD Guidelines for Multinational Enterprises.<sup>13</sup> The Guidelines have been described by the UK’s export credit agency, ECGD, as forming “an integral part of the UK Government’s policy towards corporate social responsibility”.<sup>14</sup>

Part of the complaint alleged that BP/BTC Co failed to consult adequately with project-affected communities on pertinent matters.<sup>15</sup>

On 9 March 2010, the UK National Contact Point for the OECD Guidelines (the “NCP”) issued a Revised Final Statement on the BTC Complaint.<sup>16</sup> (A previous Final Statement was issued in 2007 but withdrawn by the NCP after the groups challenged it as procedurally flawed, a view subsequently upheld by a Review Committee of the NCP’s Steering Board<sup>17</sup>).

In its Revised Final Statement, **the NCP finds BP/BTC Co in breach of Chapter V paragraph 2(b) of the OECD Guidelines**, which recommends adequate and timely consultation by multinationals with local communities impacted by corporate operations,<sup>18</sup> in that:

“ . . . the company **failed to identify specific complaints of intimidation against affected communities by local security forces** where the information was received outside of the formal grievance and monitoring channels, and, by not taking adequate steps in response to such complaints, **failed to adequately safeguard against the risk of local partners undermining the overall consultation and grievance process.**”<sup>19</sup>

The NCP also **questioned the adequacy of the due diligence undertaken by BP/BTC Co in relation to human rights**, noting that “concerns over potential human rights abuses by local security forces had been identified in the negotiation of the overall BTC framework”<sup>20</sup> and that “the company’s due diligence preparations could have identified and mitigated an additional risk of intimidation by local partners”,<sup>21</sup> notably in the north-east of Turkey, where the pipeline passes through an area “characterised by a significant Kurdish population and ethnic tensions”.<sup>22</sup>

In addition, the NCP ruled that the company's response to allegations of intimidation "does not seem to accord"<sup>23</sup> with its legally binding commitment to implement the Voluntary Principles on Security and Human Rights, a code of conduct endorsed in 2000 by the British and US Governments, together with NGOs and major companies in the energy and extractive industries.<sup>24</sup> The NCP records that "neither the general nor the specific complaints of intimidation by local security forces were investigated adequately by the company".<sup>25</sup> The NCP concluded it was "unclear" whether the company had taken any steps to report specific complaints of intimidation by local security forces, to encourage investigation by the host authorities or to support action to strengthen existing safeguards,<sup>26</sup> as required under the Voluntary Principles.<sup>27</sup>

## **BTC CO'S OBLIGATION TO COMPLY WITH THE OECD GUIDELINES AND VOLUNTARY PRINCIPLES**

**Although both the OECD Guidelines and the Voluntary Principles on Human Rights and Security are not legally binding instruments, BTC Co is contractually obliged to comply with them under the Joint Statement that the company signed in 2003 with Azerbaijan, Georgia and Turkey.**<sup>28</sup> BTC has also covenanted to the pipeline's financiers that it will comply with the two instruments.

The Joint Statement commits its parties to ensure that the pipeline project adheres to the OECD Guidelines:

*"OECD Guidelines on Multinational Enterprises: We confirm that the principles and policies set out in the OECD Guidelines on Multinational Enterprises (the "Guidelines"), including the policies that enterprises should "contribute to economic, social and environmental progress with a view to achieving sustainable development" and "respect the human rights of those affected by their activities consistent with the host government's international obligations and commitments" were fully considered during negotiation of the BTC Project Agreements and are reflected in the BTC Project Agreement structure. BTC Co. and the States have and will continue to work together to ensure that the principles and policies embodied in the Guidelines are implemented. Reflecting this commitment, we confirm all activities undertaken and contemplated to be undertaken with regard to the IGA [Intergovernmental Agreement], the HGAs [Host Government Agreements] and the other BTC Project Agreements have been and shall be consistent with the Guidelines in all material respects."*<sup>29</sup> (emphasis added)

The BTC Co. and the governments also committed to implement the Voluntary Principles on Security and Human Rights:

*"Project Security and Human Rights: . . . The parties confirm to each other their mutual commitment to the goal of promoting respect for and compliance with human rights principles . . . in a manner consistent with . . . the Voluntary Principles on Security and Human Rights (the "International Norms"). Moreover, given the importance all parties place on this commitment, we reaffirm their commitment promptly to conclude one or more protocols to the IGA and HGAs stating that all pipeline security operations must be conducted in accordance with*

*the International Norms*, and set forth specific requirements and limitations in respect thereof.”<sup>30</sup> (emphasis added)

Following the Joint Statement, the three host governments signed a trilateral Protocol in July 2003 integrating the Voluntary Principles on Security and Human Rights into the local laws governing the BTC project.<sup>31</sup>

## **STATUS OF JOINT STATEMENT WITHIN BTC LEGAL FRAMEWORK**

Paragraph 9 of the Joint Statement affirms that it “constitutes a Project Agreement as defined under the BTC IGA and HGAs.”<sup>32</sup> As such, it is “binding on all parties”<sup>33</sup> and has “the status of national law ”.<sup>34</sup> As BP/BTC Co confirms:

“Any agreement or document that is signed by any state authority of a host government and BTC Co qualifies as a Project Agreement under the IGA and HGA and the host government is obligated to ensure that the terms of that project agreement are made part of the prevailing legal regime governing the project. Thus . . . the IGA, HGA and Project Agreement package (‘The Project Agreement Structure’) can be enforced by the government as a treaty, domestic law or contractual agreement.”<sup>35</sup>

## **THE COMMON TERMS AGREEMENT: BTC CO’S COVENANTS TO FUNDERS ON THE JOINT STATEMENT**

BTC Co has also entered into a “Common Terms Agreement” (CTA)<sup>36</sup> with private banks, export credit agencies and multilateral development banks that financed the project.<sup>37</sup> Paragraph 19.11 of the CTA requires the company “to comply or cause compliance in all material respects with”<sup>38</sup> the project’s Environmental and Social Action Plan (ESAP).<sup>39</sup>

The ESAP confirms that BTC Co’s contract with its financiers requires compliance with the Joint Statement:

“The Joint Statement is a Project Agreement under the HGA, making it a binding obligation on all parties. *BTC Co covenants in the CTA to comply in all material respects with the Joint Statement . . .*”<sup>40</sup> (emphasis added)

The UK Government also confirmed in 2005 that BTC Co is “contractually committed to complying with the Guidelines”.<sup>41</sup>

## **OECD BREACH CONSTITUTES AN EVENT OF DEFAULT**

The breach of the OECD Guidelines upheld by the NCP is clearly material. As such, it also constitutes a clear breach of BTC Co’s obligation under the Joint Statement to ensure that all project activities are “consistent with the Guidelines in all material respects”.<sup>42</sup>

Because BTC Co has covenanted to the project financiers to comply with the Joint Statement, the breach of the Joint Statement constitutes an event of default under the Common Terms Agreement (CTA). Paragraph 6.7.1.6 of the project’s legally-binding Environmental and Social Action Plan (ESAP) sets out the conditions for such a default:

- “An event of default will occur if BTC Co fails in the development, construction and operation of the project to comply:
- (a) in any material respects with the covenants in the CTA to comply or cause compliance with the Applicable Lender Environmental and Social Policies and Guidelines; or
  - (b) with its covenant in the CTA to comply or cause compliance in all material respects with the ESAP and all Environmental Laws”.<sup>43</sup>

Paragraphs 20.5 and 20.5 (vi) of the Common Terms Agreement obliges BTC Co “promptly” to notify the Intercreditor Agent “upon its discovery of the occurrence of . . . any event which occurs during construction or operation and is reasonably expected . . . to constitute a material breach of the ESAP”.

BP/BTC Co should therefore have promptly notified the Intercreditor Agent of the breach of the Joint Statement, resulting from the UK NCP’s ruling on 9 March 2011.

Under the terms of the Environmental and Social Action Plan, the company has 90 days in which to remedy an event of default (or a further 90 days if BTC Co. is “diligently engaged in actions reasonably designed to remedy such non-compliance at the end of the first 90-day period”).<sup>44</sup>

The timetable for remedying the breach starts with the date that BTC Co became aware of the breach. We would contend that this date is 22 February 2010 when the NCP made its Revised Final Statement available to BP.

## **BREACH OF HOST COUNTRY AGREEMENT – BTC CO’S LIABILITY TO THIRD PARTIES**

The breach of the OECD Guidelines also constitutes a breach of the Host Government Agreement in Turkey, the country where the breach occurred, since “the Joint Statement is a Project Agreement under the Host Government Agreements (HGAs)”.<sup>45</sup>

BP/BTC Co confirms that such a breach would render it liable to “any third party for breach of standards set forth in the HGA”.<sup>46</sup>

Those who were intimidated by security forces and whose allegations of intimidation were not investigated, or who felt unable to challenge agreed compensation terms because of the company’s failure adequately to safeguard “against the risk of local partners undermining the overall consultation and grievance process”,<sup>47</sup> may therefore be able to pursue tort claims against BTC Co.

- 
- 1 The 1,760 kilometre-long Baku-Tbilisi-Ceyhan (BTC) oil pipeline runs from the offshore oil fields in the Caspian Sea near Baku in Azerbaijan, through Georgia's national park and close to the town of Tbilisi, finishing south of Ceyhan on the southern shores of Turkey on the Mediterranean at a tanker terminal, where the oil is loaded on to supertankers that transport the oil to Western Europe.
- 2 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", p.5,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 3 OECD Guidelines for Multinational Enterprises provide recommendations in the areas of employment and industrial relations; environment; combating bribery; consumer interests; competition; and taxation. Multinational enterprises operating in or from Organisation for Economic Co-operation and Development member states are expected to adhere to them.
- The Guidelines are available at : [http://www.oecd.org/department/0,3355,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1,1,00.html](http://www.oecd.org/department/0,3355,en_2649_34889_1_1_1_1_1,1,00.html)
- The OECD Guidelines were revised in 2000, giving NGOs the right to submit complaints against OECD-based companies. Complaints are submitted to the relevant country's National Contact Point (NCP) – a government office established to promote adherence to the Guidelines.
- 4 The Intergovernmental Agreement is available at:  
<http://www.bp.com/sectiongenericarticle.do?categoryId=9029334&contentId=7053632>
- 5 The Host Government Agreements are available at:  
<http://www.bp.com/sectiongenericarticle.do?categoryId=9029334&contentId=7053632>
- 6 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", p.5,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 7 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", p.5,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 8 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", p.5,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 9 "Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003",  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- 10 Voluntary Principles on Security and Human Rights  
[http://www.voluntaryprinciples.org/files/voluntary\\_principles\\_english.pdf](http://www.voluntaryprinciples.org/files/voluntary_principles_english.pdf)
- 11 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", Chapter 5.2, p.24,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 12 BTC Co, "Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan", Chapter 5.2, p.24,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 13 OECD Guidelines for Multinational Enterprises provide recommendations in the areas of employment and industrial relations; environment; combating bribery; consumer interests; competition; and taxation. Multinational enterprises operating in or from Organisation for Economic Co-operation and Development member states are expected to adhere to them.
- The Guidelines are available at : [http://www.oecd.org/department/0,3355,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1,1,00.html](http://www.oecd.org/department/0,3355,en_2649_34889_1_1_1_1_1,1,00.html)
- The OECD Guidelines were revised in 2000, giving NGOs the right to submit complaints against OECD-based companies. Complaints are submitted to the relevant country's National Contact Point (NCP) – a government office established to promote adherence to the Guidelines.
- 14 ECGD, Underwriting Committee Minutes: BTC Pipeline, UC 03 79, p.23, available at:  
[http://www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/IR\(09\)05%20Attachment%20A.pdf](http://www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/IR(09)05%20Attachment%20A.pdf)
- 15 Further details of the Complaint are available at:  
<http://www.thecornerhouse.org.uk/resource/bp-violated-international-corporate-social-responsibility-rules-says-uk-government>
- 16 *February 2011: UK NCP Revised Final Statement – Complaint from Corner House et al. against BTC Corporation*

---

<http://www.bis.gov.uk/assets/biscore/business-sectors/docs/r/11-766-revised-final-statement-ncp-btc.pdf>

The Revised Final Statement is dated 22 February 2011 but was embargoed until 8 March 2011 inclusive.

- 17 For a timeline of the 8-year process, *see*: <http://www.thecornerhouse.org.uk/resource/bp-violated-international-corporate-social-responsibility-rules-says-uk-government>
- 18 Chapter V paragraph 2(b) states:
- “[Enterprises should] . . . engage in adequate and timely communication and consultation with the communities directly affected by the environmental, health and safety policies of the enterprise and by their implementation.”
- See*:
- OECD, Guidelines for Multinational Enterprises, Paris 2008, p.19, [www.oecd.org/dataoecd/56/36/1922428.pdf](http://www.oecd.org/dataoecd/56/36/1922428.pdf)
- 19 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, p.2.
- 20 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 54.
- 21 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 54.
- 22 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 54.
- 23 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 62.
- 24 Voluntary Principles on Security and Human Rights  
[http://www.voluntaryprinciples.org/files/voluntary\\_principles\\_english.pdf](http://www.voluntaryprinciples.org/files/voluntary_principles_english.pdf)
- 25 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 52.
- 26 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 57.
- 27 UK National Contact Point, “Revised Final Statement on BTC pipeline Specific Instance”, 9 March 2011, para 56.
- 28 “Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003”,  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- 29 “Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003”, para 5  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- 30 “Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003”, para 5  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- 31 ENI, “The Baku-Tbilisi-Ceyhan pipeline”, [http://www.eni.com/en\\_IT/eni-world/baku/baku-tbilisi-ceyhan-pipeline.shtml](http://www.eni.com/en_IT/eni-world/baku/baku-tbilisi-ceyhan-pipeline.shtml)
- The Trilateral Protocol integrating the Voluntary Principles on Security and Human Rights into the local laws governing the BTC project does not appear to be posted on the project website, but is available from subscription websites, such as Oil, Gas and Energy Law (OGEL), <http://www.ogel.org/>
- 32 “Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003”, para 9  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- BTC Co, “Baku-Tbilisi-Ceyhan – BTC Briefing Note on Environmental Standards, Applicability and Enforcement”, June 2003,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_SLIPs\\_Part\\_A\\_Legal\\_Status\\_of\\_IGAs-HGAs\\_Content\\_BTC\\_Briefing\\_No-cement\\_ENG\\_.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_SLIPs_Part_A_Legal_Status_of_IGAs-HGAs_Content_BTC_Briefing_No-cement_ENG_.pdf)
- 33 BTC Co, “Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan”, Chapter 5.2, p.24,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 34 BTC Co, “Baku-Tbilisi-Ceyhan – BTC Briefing Note on Environmental Standards, Applicability and Enforcement”, June 2003, “Enforcement”  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_SLIPs\\_Part\\_A\\_Legal\\_Status\\_of\\_IGAs-HGAs\\_Content\\_BTC\\_Briefing\\_No-cement\\_ENG\\_.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_SLIPs_Part_A_Legal_Status_of_IGAs-HGAs_Content_BTC_Briefing_No-cement_ENG_.pdf)
- 35 BTC Co, “Baku-Tbilisi-Ceyhan – BTC Briefing Note on Environmental Standards, Applicability and Enforcement”, June 2003,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_SLIPs\\_Part\\_A\\_Legal\\_Status\\_of\\_IGAs-HGAs\\_Content\\_BTC\\_Briefing\\_No-cement\\_ENG\\_.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_SLIPs_Part_A_Legal_Status_of_IGAs-HGAs_Content_BTC_Briefing_No-cement_ENG_.pdf)
- 36 “Common Terms Agreement between Baku-Tbilisi-Ceyhan Pipeline Company and each of the senior external lenders listed in Schedule, each of the sponsor senior lenders listed in Schedule, each of the facility agents listed in schedule, each of the

---

Export Credit Agencies listed in schedule, Citicorps Trustee Co, Societe Generale, ABN Amro Bank, BNP Paribas, WestLB, Citibank”, 3 February 2004.

The full Common Terms Agreement is not publicly available, but clauses related to the environmental conditions have been released under Freedom of Information legislation in the USA and are available at:  
<http://www.thecornerhouse.org.uk/resource/btc-oil-pipeline-loan-agreement>

- 37 Some 70 per cent of the estimated US\$4 billion costs of developing the BTC pipeline was financed and subsidised by public money or public institutions. The bulk of the public money was in the form of loans from the European Bank for Reconstruction and Development (EBRD) of \$250 million and the World Bank’s International Finance Corporation (IFC) of \$250 million.

Export credit agency (ECA) guarantees for the pipeline included:

Japan’s JBIC	\$580 million
USA’s Ex-Im	\$160million
Japan’s NEXI	\$120 million
UK ECGD	\$106 million
France’s COFACE	\$100 million
Germany’s Hermes	\$ 85 million
Italy’s SACE	\$ 50 million

- 38 “Common Terms Agreement between Baku-Tbilisi-Ceyhan Pipeline Company and each of the senior external lenders listed in Schedule, each of the sponsor senior lenders listed in Schedule, each of the facility agents listed in schedule, each of the Export Credit Agencies listed in schedule, Citicorps Trustee Co, Societe Generale, ABN Amro Bank, BNP Paribas, WestLB, Citibank”, 3 February 2004.

The full Common Terms Agreement is not publicly available, but clauses related to the environmental conditions have been released under Freedom of Information legislation in the USA and are available at:  
<http://www.thecornerhouse.org.uk/resource/btc-oil-pipeline-loan-agreement>

- 39 The Environmental and Social Action Plan is available at  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 40 BTC Co, “Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan”, Chapter 5.2, p.24,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 41 Hansard, Response of Lord Sainsbury (Parliamentary Under-Secretary of State, Department of Trade and Industry) to Lord Avebury, House of Lords, Vol 668 c70WA, 12 January 2005,  
[http://hansard.millbanksystems.com/written\\_answers/2005/jan/12/baku-tbilisi-ceyhan-pipeline-project#S5LV0668P0\\_20050112\\_LWA\\_34](http://hansard.millbanksystems.com/written_answers/2005/jan/12/baku-tbilisi-ceyhan-pipeline-project#S5LV0668P0_20050112_LWA_34)
- 42 “Joint Statement on the Baku-Tbilisi-Ceyhan Pipeline Project, 16 May 2003”, para 5  
<http://subsites.bp.com/caspian/Joint%20Statement.pdf>
- 43 BTC Co, “Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan”, Para 6.7.1.6 (Lender Incident Reporting), p.71,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 44 BTC Co, “Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan”, Para 6.7.1.6 (Lender Incident Reporting), p.71,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 45 BTC Co, “Baku-Tbilisi-Ceyhan Pipeline: Environmental and Social Action Plan”, Chapter 5.2, p.24,  
[http://www.bp.com/liveassets/bp\\_internet/bp\\_caspian\\_en/STAGING/local\\_assets/downloads\\_pdfs/xyz/BTC\\_English\\_ESAP\\_ESAP\\_Content\\_Main\\_Document.pdf](http://www.bp.com/liveassets/bp_internet/bp_caspian_en/STAGING/local_assets/downloads_pdfs/xyz/BTC_English_ESAP_ESAP_Content_Main_Document.pdf)
- 46 Baku-Tbilisi-Ceyhan: BTC Briefing Note on Environmental Standards, Applicability and Enforcement, June 2003, Annex A, p. B-6.
- 47 *February 2011: UK NCP Revised Final Statement – Complaint from Corner House et al. against BTC Corporation*  
<http://www.bis.gov.uk/assets/biscore/business-sectors/docs/r/11-766-revised-final-statement-ncp-btc.pdf>

The Revised Final Statement is dated 22 February 2011 but was embargoed until 8 March 2011 inclusive.