

Timeline

FOR A PIPELINE

(past & future)

EARLY DAYS

1989

Steve Remp, head of UK independent oil company Ramco, arrives in Baku.

1990

SOCAR (State Oil Company of Azerbaijan) hires Remp to find western oil companies to develop the Absheron Sill, a massive oilfield soon to be renamed the Azeri field. He approaches British Petroleum (BP).

October A consortium of BP, Ramco and Norwegian oil company Statoil is informally promised the rights to develop the Azeri field.

1991

April Amoco makes bid for Azeri field. The Azerbaijan state government (Communist Party) is playing BP and Amoco off against each other, to get the best terms.

June Amoco and McDermott given rights to negotiate a binding contract on Azeri field.

30 Aug Azerbaijan gains independence from the Soviet Union. An upsurge in the conflict with Armenia, making progress on oil contracts impossible.

18 Oct. The Constitutional Act of Independence for Azerbaijan adopted to form the basic document of the new Azeri constitution

Notes:

A) The Azerbaijan, Georgia, Turkey (AGT) pipelines system includes six distinct elements:

- 1) the Baku-Tbilisi-Ceyhan (BTC) oil pipeline (also known as the Main Export Route Pipeline);
- 2) the Baku-Novorossiysk oil pipeline (also known as the Northern Route Export Pipeline);
- 3) the Baku-Supsa oil pipeline (also known as the Western Route Export Pipeline);
- 4) The Baku-Tbilisi-Erzurum (BTE) gas pipeline, now known as the South Caucasus Pipeline (SCP);
- 5) the Azeri-Chirag-Guneshli (ACG) oil fields;
- 6) the Shah Deniz gas field.

This timeline therefore includes key events related to those six distinct projects, as well as AGT as a whole, and relevant events in the three 'host' countries, Azerbaijan, Georgia and Turkey.

B) The Timeline cross-refers to Chapters 3-6, 'Four governments unite', 'Two companies merge', 'Faces and Names' and 'The Carbon Web' – these chapters give a picture of individuals and companies involved in the project in 2002.

From offshore Azerbaijan



BP's Chirag-1 Platform
(G Ruschendorf/Rapha/Network)



The Caspian Shipyard Company
(Greg Muttitt/Bank Information Centre)



The Sangachal terminal
(Greg Muttitt/Bank Information Centre)

1992

Nov SOCAR, Botaş (of Turkey), BP, Pennzoil and Amoco sign an agreement to finance studies of three pipeline options from Baku: to Supsa, to Novorossiysk and to Ceyhan. The Ceyhan route could pass through either Iran or Georgia.

1993

March Turkey and Azerbaijan sign a protocol to develop the Baku-Ceyhan options.

11 June After one year of negotiations, Azerbaijan's president Abulfaz Elchibey signs a deal with a consortium of BP, Statoil, Amoco, TPAO, Unocal, McDermott and Pennzoil to develop the Azeri field.

18 June Heydar Aliyev sweeps to power in a military coup; Elchibey goes into exile.

23 June New President Heydar Aliyev cancels the contract – his first action after the coup.

1994

20 Sept BP, Statoil, Amoco and other oil companies sign 'the Contract of the Century' (Production Sharing Agreement) with Azerbaijan government, gaining rights to develop the huge Azeri-Chirag-Guneshli (ACG) fields. John Browne, then Managing Director of BP Exploration, talks of "huge opportunities".

Dec Contract of the Century ratified by Azerbaijan parliament.

1995

National referendum on the Constitution of the Republic of Azerbaijan. The National Assembly, Milli Medzhklis, follows this with passing of many of the laws on the regulation and preservation of natural resources, etc.

June: BP / Statoil and TPAO enter preliminary agreement with SOCAR to develop Shah Deniz gas field.

Oct: Azeri-Chirag-Guneshli oil fields 'Early Oil Project' sanctioned.

Past Azerbaijan's old oil industry



Onshore fields south of Baku
(Greg Muttitt/Bank Information Center)

1996

July BP awards contract for repair/reconstruction of old oil pipeline from Baku to Supsa.

1997

Sept Azerbaijan Main Export Route working group established.

Timeline

Nov First oil pumped from Chirag -1 oil platform in the Azeri-Chirag-Guneshli oil fields.
EBRD and three commercial banks given mandate to arrange financing for Baku–Supsa pipeline.
Georgia Main Export Pipeline working group established.

11 Nov Heydar Aliyev, President of Azerbaijan, Ilham Aliyev, Vice-President of SOCAR and, Terry Adams, President of BP Azerbaijan and Azerbaijan International Operating Company (AIOC, the consortium of oil companies led by BP, developing the ACG fields), celebrate the First Oil at official event on Chirag-1 oil platform.

1998

Feb First oil exported through Northern Route Export Pipeline, Baku to Novorossiysk.

24 March First tanker of Azeri crude oil leaves Novorossiysk for world markets.

April Turkey Main Export Pipeline Commission established

July BP drills first exploration well in Shah Deniz field.

Oct US export credit agencies Eximbank, OPIC and Trade Development Agency promise US\$ 827m loan to Baku–Ceyhan project.

US, Azerbaijan, Turkey, Georgia, Kazakhstan and Uzbekistan sign Ankara Declaration of support for Baku–Ceyhan oil pipeline.

Timeline

1998–1999

US government (backed by Turkey and Azerbaijan) puts heavy pressure on BP and AIOC to support Baku–Ceyhan pipeline.

Through Azerbaijan



Umid village
(Nino Gujaraidze/Green Alternative)



Gobustan National Park
(Karen Decker/Bank Information Center)



Gobustan desert
(Karen Decker/Bank Information Center)

1999

March Kazakhstan commissions Mobil, Chevron and Shell to carry out feasibility study into pipeline across Caspian from Kazakh fields to Baku.

1999

- April Turkish and Azeri governments form working group together with oil companies to draft a construction plan for Baku-Ceyhan pipeline. BP, as lead company in AIOC consortium, and other companies still say the line is not economically viable, although Turkey has offered significant incentives.
- 17 April Baku-Supsa pipeline opens. Georgia makes great efforts to emphasise its ability to provide security, stations army units along the pipeline, and enters military cooperation agreement with Azerbaijan.

GOVERNMENT NEGOTIATIONS

- Sept: David Woodward, President of BP Azerbaijan and AIOC, says development of ACG fields may be held up because of lack of export route. Public argument develops between Woodward and James Wolf, US envoy to the Caspian, who accuses BP of blocking progress.
- Oct: BP issues statement indicating support for pipeline, but insists it must be a commercial project rather than a geopolitical one. Also says needs more oil than just ACG. Intensive negotiations between BP and Turkey.
- Nov: Bill Clinton, the US president, meets at OSCE summit with leaders of Turkmenistan, Azerbaijan, Georgia, Turkey and Kazakhstan, who sign accords setting the terms for commercial investment in the Baku-Ceyhan oil pipeline. Turkey agrees to guarantee any cost over-runs on its section. Pipeline is renamed Baku-Tbilisi-Ceyhan (BTC).

At same meeting, framework is laid for gas pipeline from Turkmenistan to Turkey through Azerbaijan. Azerbaijan was opposed, but agreement allows new Azeri gas to go to Turkey through the same line. This pipeline becomes known as Baku-Tbilisi-Erzurum (BTE), although later priority shifts from Turkmen to Azeri gas, and pipeline is often called Shah Deniz pipeline, after the Azerbaijan's major gas field.

Through Azerbaijan



Kura-Araks Lowlands
(Karen Decker/Bank Information Center)



Pump station, Baku-Supsa pipeline
(Tury Urbanskyj/CEE Bankwatch)



Bus stop, Shahliq village
(Nino Gujaraidze/Green Alternative)

2000

10-16 April Delegates from Azerbaijan, Georgia, Turkey, USA and BP meet in Washington, DC and agree terms of governmental and intergovernmental agreements for BTC.

Meeting to be held in London later in 2000 between US trade and development agency and participating companies to discuss project financing.

BASIC ENGINEERING

May: ERM (Environmental Resources Management) commissioned to undertake scoping study on social issues re BTC and BTE pipelines.

29 May: About 30 interested companies (including Shell, ExxonMobil, Texaco, Statoil, Chevron, Lukoil) attend meeting in Baku to review governmental agreements – organised by Michael Townsend, then BP director of international affairs. All companies sign confidentiality agreements; not committed to investing. Azerbaijan and Georgia have ratified agreements; Turkey expected to in mid June. AIOC approached multilateral institutions before negotiating governmental agreements, so as to incorporate their concerns.

12 June: Lukoil vice president Vitaly Lesnichy says Lukoil wants its share of ACG oil (10%) to go the Novorossiysk route.

July: Botaş puts out sub-contract tender for engineering work on Turkish section of BTC.

August: AIOC shareholders meet to discuss whether to proceed into basic engineering phase.

Oct: Agreement signed in Baku to establish Sponsor Group (SG) for pipeline development, comprising SOCAR (50%), BP (25.41%, 'operator'), Unocal (7.48%), Statoil (6.37%), Turkish Petroleum (5.02%), Itochu (2.92%), Ramco (1.55%) and Delta Hess (1.25%).

BTC sponsoring companies approve US\$ 25m budget for basic engineering study.

Nov: Giorgi Chanturia, President, Georgian International Oil Corporation (GIOCO), and other Georgian officials visit BP in London. BP gives them official documents on BTC route through Georgia, indicating 10-km-wide 'interest corridor'.

16 Nov: BP and Environmental Impact Assessment contractors meet Azeri environmental NGOs for dialogue.

Through Georgia



Kesalo village
(Greg Muttitt/Bank Information Center)



Akhali Samgori village
(Greg Muttitt/Bank Information Center)



Villagers, Akhali Samgori
(Tury Urbansky/CEE Bankwatch)

- 11-15 Dec: Wref Digings, BP Vice President for Oil Export in Azerbaijan, talks with government and Non-Governmental Organisations in Tbilisi on route of pipeline and timescale (including schedule for engineering work). Special coordinating council to be set up headed by Georgian president to narrow the corridor to 22 metres over following 6-8 months.
- mid Dec: Wref Digings meets OPEC and World Bank officials in Washington DC. Also meets European Bank of Reconstruction and Development. Comments that project viewed favourably by financial institutions.
- late Dec: US Eximbank and Overseas Private Investment Corporation to participate in discussions on BTC pipeline.

2001

- 25 Jan: Giorgi Chanturia, President of Georgian International Operating Company, meets with heads of BP and other oil companies, and US president's adviser on Caspian energy resources, Elizabeth Jones, in London. They prepare papers on further detail programme of work for next 6 months. The meeting endorses list of companies invited to tender to BP for basic engineering work.
- 26 Jan: Representatives of US, Turkey, Azerbaijan and Georgia meet in Istanbul to discuss working issues on construction, plus possible expansion of Sponsor Group.
- 27 Jan: David Woodward, President of BP Azerbaijan and AIOC, presents papers to Georgian president Eduard Shevardnadze in Tbilisi .
- 31 Jan: BP approves final route of Baku-Tbilisi-Ceyhan pipeline – planned to cross Azerbaijan-Georgia border near Gardabani, and Georgia-Turkey border near Vale.
- February: Chevron indicates interest in participating in detailed engineering work.
- 20 Feb: European Bank of Reconstruction and Development first vice president, Charles Frank, says that BP considers BTC economically viable without Kazakh oil. European Bank of Reconstruction and Development (EBRD) is in discussions with BP, and may provide finance if convinced of BP's case. EBRD would ultimately like to see multiple export routes, believes that Iran route most economically viable but no good politically. David Woodward comments that discussions are going on but financial details won't be known until end 2001.

Through eastern Georgia



Agtagla village – road damage
(Greg Muttitt/Bank Information Center)



Ivanovka
(Karen Decker/Bank Information Center)



Trees to be cleared – Ivanovka
(Karen Decker/Bank Information Center)

- 26 Feb: Partners' Management Committee meets in Ankara to review first half of basic engineering study. Engineering study carried out by Fluor Daniel in Azerbaijan and Georgia, and Botaş and PLE in Turkey – they have identified 10-km wide pipeline corridor through all 3 countries. They aim to narrow corridor to 500 m by May 2001. Hydraulic works (on flow of crude oil) completed. Work has started on technical definition, project execution plan and schedule, and commercial work.
- SOCAR is seeking potential investors to join the Sponsor Group. Aim to get decisions in time for involvement in start of detailed engineering, June 2001.
- March: BP to decide between Baku-Tbilisi-Erzurum and smaller pipeline for gas from Shah Deniz field – it will depend on estimated volumes of gas from the field.
- 1 March: US officials persuade Kazakhstan to sign memorandum opening up the possibility that it might send oil across the Caspian to pass through BTC.
- 12 March: Rashad Kaldany, director of oil and gas section of International Finance Corporation (IFC), announces considering financing BTC, if new oilfields are found. May finance construction expenditure (\$2.4 bn) if Azeri and US governments do not deposit payments on time. Negotiations on IFC involvement to begin in 2 months when Azeri government officials and oil company executives come to Washington.
- 13 March: Construction partners meet in Ankara to discuss basic engineering.
- Heads of state of Turkey and Azerbaijan sign gas sale agreement for Shah Deniz gas, 6.6 bcm per year starting in 2004. BP welcomes the deal. After reviewing the agreement, BP can develop commercial terms for Shah Deniz development and get started.
- April: Georgia and Azerbaijan begin negotiations on Georgian section of BTE pipeline.
- 27 April: Ramco pulls out of Sponsor Group, and out of the Caspian altogether. Its share split between Unocal, Devon Energy (new investor in the Group) and Delta Hess.
- 28 April: Technical group has submitted 500m wide pipeline corridor design to 3 governments, including size and location of pumping stations.
- 30 April: SOCAR meets Alberta Energy, Chevron, Conoco, Texaco and TotalFinaElf on their possible involvement.

Through central Georgia



Tetri Ts'karo town
(Karen Decker/Bank Information Center)



Ts'alka town
(Karen Decker/Bank Information Center)



Near Ts'alka
(Karen Decker/Bank Information Center)

2001

15 May: Basic engineering design on BTC completed. Costs have been revised because of decrease in number of pumping stations, rise in world prices for steel and isolation materials, extra geotechnical work and preparation of high mountain roads in Georgia.

16 May: Sponsor Group steering committee meets to begin review of results.

BP says agreements with new companies expected to be completed by third quarter of 2001. BP says preliminary talks with international finance institutions look promising – BTC looks set to attract sufficient finances for current costs and current projected volumes of oil.

DETAILED ENGINEERING

21 May: Bechtel selected for \$120-150 million detailed engineering contract for Azerbaijan and Georgia sections, for procurement services, personnel and resources.

BP, Georgia and Azerbaijan begin trilateral negotiations on BTE gas pipeline.

24 May Murder of Georgian television journalist, Georgi Sanya – many believe it to be politically motivated. Widespread shock and outrage amongst Georgians. Demonstrations outside government buildings.

5 June: David Woodward, President of BP Azerbaijan, announces that the basic engineering study has costed BTC pipeline project at \$2.8-2.9 bn (estimated to an accuracy of +/- 30%).

7 June: BP announces that it has discussed with project partners the possibility of building Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines together to lower cost. BP and US government publicly announce measures to improve the pipeline's economics by lowering costs and increasing throughput, and announce estimated return to investors.

10 June: Final reports on basic engineering received by Sponsor Group members. Final decision to proceed with detailed engineering study.

14 June: BP announces that it will start full field development for Azeri-Chirag-Guneshli oilfields in August. Tenders and pre-drilling activity will last till end of year 2001.

mid June: Fourth round of talks on Baku-Tbilisi-Erzurum in Frankfurt, reaching agreement on issues including obtaining land and ensuring environmental and technical standards met during construction.

Through central/southern Georgia



Imera village
(Karen Decker/Bank Information Center)



Beshdasheni village
(Karen Decker/Bank Information Center)



Bakuriani town
(Karen Decker/Bank Information Center)

20 June: John Browne, Chief Executive of BP, speaking at 'The tale of the Three Seas' conference in Istanbul, says that there are no remaining obstacles to Baku-Tbilisi- Ceyhan, and that the consortium is committed to the project. Also says constructing the Baku-Tbilisi-Erzurum pipeline alongside Baku-Tbilisi-Ceyhan would be 'logical'. He raises the environmental issue of Bosphorus spill risk.

John Browne says in an interview with New York Times that detailed engineering was not a further evaluation of the project's economic viability, but a determination of what sort of pipeline could be built within the project budget.

CERA ('Tale of Three Seas' conf co-organisers) Caspian Area Energy Director Laurent Ruseckas, says: "If you look at the situation of last year, the actualisation chance was 50%. This year I see it as 95%".

Bechtel begins work on detailed engineering.

Devon Energy withdraws from the BTC Sponsor Group.

21 June: John Browne visits Tbilisi; meets President Eduard Shevardnadze.

Botaş appoints ILF, Yuksel Proje and Temelsu as subcontractors for detailed engineering services in Turkish section, having received approval from BP. Contract worth \$15.6 million. Work to start late June 2001 and last a year.

22 June: John Browne leads BP delegation to meet Azeri President Heydar Aliyev in Baku on details of Baku-Tbilisi-Ceyhan implementation. John Browne reports on recent meeting with US Vice-President Dick Cheney, which reaffirmed US support.

27 June: Meeting on Baku-Tbilisi-Erzurum pipeline. Representatives of Georgian parliamentary committees and Georgian Finance Ministry join working group. Agenda includes pipeline security, tariffs and revenue.

end June: Work on the formal Environmental and Social Impact Assessments for BTC begins, and detailed engineering study for BTC begins.

1 July: Lazard Brothers bank is appointed BP's financial advisor for BTC, and Sullivan & Cromwell legal advisor on financing.

3 July: John Sullivan, BP Vice President, Security, meets President Eduard Shevardnadze in Tbilisi on how to guarantee security of the pipeline.

Through southern Georgia



Borjomi mineral water bottling factory
(Greg Muttitt/Bank Information Center)



Borjomi mineral water bottling factory
(Karen Decker/Bank Information Center)



Vale town
(Yury Urbansky/CEE Bankwatch)

2001

- 5 July: Wref Digings says total cost will be \$3.3 bn (including financing costs), one third coming from equity holders and the rest from export credit agencies and institutional lenders.
- 17 July: Publication of Revision 2 of Environmental & Social Overview and Scoping Study for Georgian section of BTC.
- 18 July: Wref Digings meets Eduard Shevardnadze to discuss progress on detailed engineering of BTC. Shevardnadze says plans to sign intergovernmental documents on Baku-Tbilisi- Erzurum gas pipeline with Azeri government on 27th July.
- 27 July: Shevardnadze cancels agreement-signing trip to Baku at 2 hours' notice, officially because of murder of a Georgian journalist (see 27 June), but in reality because of disagreements on Georgia's transit tariffs.
- 30 August: Azerbaijan government gives go-ahead for full development of Azeri-Chirag-Guneshli oil fields. AIOC has already made pre-go-ahead provisional awards of contracts to four companies (McDermott, Bouygues, Emtunga, Saipem). World Bank Georgia director Judy O'Connor tells President Shevardnadze that Georgia must ask for higher tariffs on the gas transit through Baku-Tbilisi-Erzurum gas pipeline or risk not receiving future finance for the country from the World Bank. Discussions with Azerbaijan are ongoing.
- 11 Sept: Talks on transit tariffs for Baku-Tbilisi-Erzurum pipeline restart between Azerbaijan (led by Valekh Aleskerov, head of SOCAR's overseas investments department) and Georgia in London. Several BP officials also present.
- late Sept: Georgia and Azerbaijan resolve outstanding issues on Baku-Tbilisi-Erzurum; sign 20-year agreements on transit, transportation and sale of gas.
- October: BTC Project Management Committee to meet (postponed from mid Sept) in Turkey to discuss progress of detailed engineering, attracting new investors, and submitting formal request for funding by end of year.
- early Oct: President Shevardnadze of Georgia visits Washington, The White House promises military assistance to assist Georgian armed forces fight terrorism

Through north-eastern Turkey



The view north from the city of Erzurum. The BTC pipeline would pass this side of the mountains
(Greg Muttitt/PLATFORM)

- mid Oct: Preliminary informative memorandum on project's financing requirements sent to International Finance Corporation, European Bank of Reconstruction and Development and leading export credit agencies.
- 29 Oct: Valekh Aleskerov tells Turkish MPs that BP, SOCAR and Botaş have set up a joint marketing company for the export of Azeri gas – from Baku-Tbilisi-Erzurum pipeline – to European countries. BP denies this.
- November: US sends 10 UH-1H Huey helicopters, plus 1 military trainer and 6 contractors to Tbilisi, Georgia to bolster Georgian military
- Azeri parliament ratify Baku -Tbilisi-Erzurum gas pipeline agreements. When Georgian and Turkish parliaments have also ratified, the partners are set to sanction the first stage of Shah Deniz gas field development, then sign host government agreement.
- 5 Nov: Lukoil vice chairman Leonid Fedun indicates interest in Baku-Tbilisi-Ceyhan. Says it has become more economically attractive since Turkey agreed to lower royalty payment and number of pumping stations was decreased.
- late Nov: Lukoil discussing participation in BTC with Russian government.
- 27 Nov: Vagit Alekparov of Lukoil says: "We are looking for additional proposals from BP: so far we have not received any exact information on the amount of investment needed, the volume (of oil that will go through the pipeline) or the date for when investment is needed. We don't like what we have seen so far".
- 31 Nov: AIOC awards six contracts totalling \$ 780 m for full development of Azeri-Chirag-Guneshli (ACG) oil field, to McDermott (US), Bouygues Offshore (France), Emtunga International (Sweden), Saipem (Italy) and Eiffel (France). They cover fabrication of oil rigs and living quarters, laying pipeline to Sangachal terminal, and transportation. David Woodward, President of AIOC and of BP Azerbaijan, says, "The signing of the six major contracts is a major milestone which marks the commencement of construction activities. The project is now well and truly underway."
- December: BP's target date for main paragraphs of agreements on financing to be prepared

Through north-eastern Turkey



Villager, Uzunahmet village
(Greg Mutittiz/PLATFORM)



Gas pumping station, NGP – east Anatolia
(Greg Mutittiz/PLATFORM)



Beekeeper, Haçibayram village
(Greg Mutittiz/PLATFORM)

2001

- 19 Dec: Michael Townsend, BP Azerbaijan Vice President for Hydrocarbons Export (and BTC General Manager), reports that European Bank for Reconstruction and Development and International Finance Corporation, plus European, US and Japanese export credit agencies, have been approached about providing credits. "The initial contacts we have had have been encouraging. They are keen to work with us and provide finance for the project based on initial discussions. And they have also expressed their keenness to take part in the project," he said. International lending institutions will be asked to put up 70 % of the capital for the pipeline, with the rest provided by investor companies. The consortium anticipates that lenders will ask for an interest rate of about 15 % on loans for the pipeline.
- 30 Dec: Environmental and Social Impact Assessment, for both Azeri-Chirag-Guneshli oil fields Phase-1 and Shah Deniz gas field Stage -1 projects, approved by the Azerbaijan Ministry for Environment and Natural Resources

2002

- January: Construction begins on preliminary civilian facilities (see Oct 26 2001) for Sangachal terminal
US lifts 10-year ban on delivery of military assistance to Azerbaijan, suspending Section 907 of the 'Freedom Support Act'
- 6 February Kazakh Foreign Minister Qasmzhomart Toqayev meets US Vice President Dick Cheney, Secretary of State Colin Powell and National Security Adviser Condoleeza Rice in Washington DC – reaffirms Kazakhstan's interest in BTC pipeline, but does not make a firm commitment.
- 20 Feb: BP signs contracts with Turkfen / Azfen alliance for main construction work on expansion of Sangachal terminal.
- 21 Feb: Azerbaijan government signs Host Government Agreement with investor companies on Baku-Tbilisi-Erzurum (BTE) gas pipeline.
- 27 Feb: Washington says it will provide Georgia with \$64 million of military support and send 180 military advisers and train up to 2,000 Georgian troops, especially to combat suspected al Qaida forces in Pankisi Gorge, Georgia. Angry response from Igor Ivanov, Russian foreign minister.

Through north-eastern Turkey



Ruins of Haçibayram vialle
(Greg Muttitt/PLATFORM)



Scar caused by the NGP pipeline
(Greg Muttitt/PLATFORM)



Meadow – crossed by pipeline
(Greg Muttitt/PLATFORM)

- Mid March BP Chief Executive John Browne's salary increases 47% to £7 million (US \$ 10 million)
- 28 Mar: US Defense Dept. pledges \$4.4 million in military aid to Azerbaijan, the same amount promised to Armenia. Mira Ricardel, deputy assistant to the US Secretary of Defense, says the aim is "to counter threats such as terrorism, to promote peace and stability[sic] in the Caucasus, and to develop trade and transport corridors."
- early April: Italian oil company ENI joins the BTC Sponsor Group with a 5% share.
- 9th April: Azerbaijan & Georgia sign a military agreement designed to increase pipeline security and anti-terrorist efforts. Both sides reiterate desire to obtain membership of NATO's Partnership for Peace programme.
- 18 April: Lukoil decides not to become an investor in BTC pipeline.
- 19 April: Peter Woitcke, of the International Finance Corporation (IFC), informs NGOs that a preliminary assessment of the AGT projects is already being undertaken by three IFC experts in the region
- 23/24 April: Turkmenistan, Azerbaijan, Iran, Kazakhstan & Russian meet for summit in Ashgabat, Turkmenistan, to agree on territorial division of the Caspian Sea . Summit breaks up without an agreement or even a joint declaration.
- 29/30 April: Turkey, Azerbaijan & Georgia meet for 2 day Regional Summit, at Trabzon, Turkey. Agree security accords.
- Sponsor Group of BTC agrees to finance 30% of the project via equity, the rest to be borrowed from international finance institutions, export credit agencies and commercial banks. BP appoints ABN Amro and Société Générale to review the finance package, Lazards are acting as BP's financial advisers.
- April/May: BP organizes trip by Azeri NGO's along proposed route of BTC in Azerbaijan. (includes TETA-Hazri Association, Green Movement, Ecograf Association, Society for Animal Protection, Centre for Bird Protection, Giandga agrobusiness association) Visit 27 of 56 points considered 'environmentally sensitive' by BP.

Timeline

Through eastern Anatolia, Turkey



The NGP pipeline passes Pirede village on the same route BTC would follow
(Greg Muttin/PLATFORM)

2002

- 1 May: First contingent of 26 US soldiers arrive in Tbilisi, first of 150-strong force designed to equip and train Georgia army . BP spokeswoman says: "The pipelines will of course benefit from the military presence."
- 6-7 May: Two day stoppage on Baku-Supsa oil pipeline caused by accident in the area of the village of Pirveli Sviri, Zestafoni District, Georgia.
- 11 May: Draft Environmental and Social Impact Assessment document for Shah Deniz gas field Stage-1 project published by BP – 40 day consultation period begins. Published 1 month later than planned
- 15 May: President Shevardnadze emphasises the need for economic security and employment of local population in the construction of BTC.
- 28 May: BP officially submits the draft Environmental and Social Impact Assessment for BTC, and for BTE gas pipeline, now renamed South Caucasus Pipeline (SCP), to the Georgian Ministry of Environment – 60 day consultation period begins.
- 4 June: Ross Connelly, the Vice-President of Overseas Private Investment Corporation, announces intention to allocate \$3m to research into the political risks of BTC. Steven Mann, Washington's special adviser on Caspian energy issues, urges Azerbaijan and Iran to resolve the issue of the disputed ownership of the Araz-Alov- Sarq oilfields.
- 11 June: BP launches website giving information on BTC and other BP projects in Azerbaijan – www.caspiandevlopmentandexport.com
- 13 June French oil company TotalFinaElf joins the BTC consortium with a 5% share. Group of investor companies is now fixed
- mid June: BP publishes 'Between Two Seas' 26-page booklet in English describing the Baku-Tbilisi-Ceyhan pipeline project.
Sponsor companies give go-ahead to BTC oil pipeline
- 20 June: Shah Deniz gas field consultation period ends

Through central Anatolia, Turkey



Akifiye village
(Greg Muttitt/PLATFORM)



Akifiye villagers
(Greg Muttitt/PLATFORM)



BTC route through Kahramanmaraş
(Greg Muttitt/PLATFORM)

Mid July Azerbaijani organisation the Society for Democratic Reforms publishes critique of BP's Environmental & Social Impact Assessment. "There is not enough justice in ESIA. It well represents the interests of oil companies and disregards that of communities and regions involved".

Timeline

19 July Netherlands Commission for Environmental Impact Assessment publishes review of Environmental & Social Impact Assessment for Georgian section of BTC and SCP, at the request of Environment Ministry of Georgia. While it finds a few positive points, it criticises the ESIA for not gathering enough information, for choosing a route which crosses sensitive sites, for having incomplete environmental mitigation measures, and for not addressing compensation and other social issues.

Late July Villagers in Nazarlo village, eastern Georgia protest angrily at BP consultation meeting. One villager, Naira Jangirashvili, says, "Who will be responsible if an accident happens, who will compensate us for the damage? They may simply forget about the local residents if that happens".

31 July Azerbaijan President Heydar Aliyev issues Decree authorising use of Azerbaijan's oil fund (which is intended to support non-oil development in Azerbaijan – see Oil Funds box) to finance SOCAR participation in BTC pipeline.

1 August BTC Company, the formal consortium vehicle, is established.

Construction contractors announced: Consolidated Contractors International Company (Greece) for pipelay in Azerbaijan, and Spie Capag (France) / Petrofac (US) for pipelay in Georgia and facilities in both countries.

22 August Consultation period closes for BTC and SCP pipelines.

Timeline

To southern Turkey



Kesim village
(Greg Mutittz/PLATFORM)



BP at Kadirli town
(Greg Mutittz/PLATFORM)



NATO airbase at Incirlik
(US Department of Defense)

Note: these dates are BP's and its partners' plans for the project. They are subject to delay – or cancellation – depending on stakeholders' reactions to the project.

2002

- Summer: Expansion of Sangachal terminal set to be completed
- August/Sept: BP to submit final (amended) Environmental and Social Impact Assessments for relevant sections of BTC to regulatory authorities in Azerbaijan, Georgia and Turkey.
- Sept: BP and partners to submit formal application for finance to international financial institutions (IFIs), including International Finance Corporation, European Bank for Reconstruction & Development, and export credit agencies (ECAs). 120-day consultation period for public financing begins.
- Sept/Oct: Azerbaijan / Georgia / Turkey governments to make decision on approval of BTC pipeline project.

2003

- January: BTC facilities (access roads, worker camps etc) construction to commence
Consultation period on public financing ends. Decision period (likely 6 weeks) begins.
- Feb/March IFIs make decision on financing, followed by ECAs. If they approve financing, private banks would rapidly be signed up.
- April: BTC pipeline construction to commence

2004

- September: BTC construction to be complete, ready for line filling
- Late Construction of South Caucasus gas Pipeline (SCP) to begin.

2005

- Early: New oil from Azeri-Chirag-Guneshli fields planned to come on stream, and first oil to be exported from Ceyhan oil terminal.
- Late Construction of SCP to be completed.

To southern Turkey



Coast near tanker terminal, Yumurtalik
(Greg Muttitt/PLATFORM)



Fishermen at Yumurtalik
(Greg Muttitt/PLATFORM)



Fishing boats, Yumurtalik
(Greg Muttitt/PLATFORM)