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BOTAS PETROLEUM PIPELINE CORPORATION

Land Acquisition Policy Framework

Turkey Gas Sector Development Project Compressor Stations

August 2005

Turkey Gas Sector Development Project

Compressor Stations

Land Acquisition Policy Framework

Background

The Project objective is to increase the reliability and stability of gas supply in Turkey by implementing critically needed gas storage and network infrastructure, and support BOTAS in strengthening its operation as a commercially run corporation capable of accessing capital markets.

The Project will have two components:

- ③ a gas storage facility in an underground salt formation located close to Tuz Golu, a salt lake in South Central Turkey, with associated pipelines to carry fresh water from a reservoir to the site to leach the storage caverns and a pipeline to carry the brine from the site to the salt lake; and
- ③ network expansion consisting of two compressor stations that are required to help transmit the increasing volumes of gas expected to be imported into Turkey from existing and new sources.

Land Acquisition

The gas storage facility and pipelines will require the acquisition of approximately 625 ha. of land and permanent easements on approximately 210 ha. BOTAS has prepared a Land Acquisition Plan to cover these acquisitions, which complies with OP/BP 4.12 and has been found acceptable by the Bank.

The sites for the compressor stations have not been selected. They are expected to be located at Erzincan and Corum in east and north-central Turkey, respectively.

Policy Framework

This policy framework applies to the compressor stations and any other facilities constructed under the project that are presently unforeseen.

The Corum station, expected to have a capacity of 30 MW, is required to enable increased supply from Russia. The Erzincan Station will have 39 MW of compression capacity and will enable the import of natural gas from Azerbaijan.

The stations have not been designed yet, but the maximum amount of land needed for each is 50m by 50m., making a total of 0.5 ha.

Implementation

The land may be privately owned or State land, depending on the site selected. Once BOTAS selects the design and the site, it will survey the site and identify ownership of affected parcels. This information is compiled by the Land Survey and Expropriation Department and submitted to the General Directorate of BOTAS for an expropriation decision. This information constitutes the substance of a land acquisition plan for each site.

Prior to requesting the expropriation decision, BOTAS will submit the land acquisition proposal to the Bank for review and comment.

Once the expropriation decision is made, the land acquisition will be carried out by the Land Survey and Expropriation Department following the principles and procedures described in detail in the Land Acquisition Plan.

Affected Parties and Entitlements

Depending on ownership status of the sites selected, the land will be acquired from private individuals or the state, as specified in the attached Entitlement Matrix.

Entitlement Matrix

Component	Action	Category of Project Affected Person	Entitlement
Compressor Stations (est. 0.5 ha.)	Purchase	Private Owner	Land value (net income methodology)
		Treasury ¹	Land value, negotiated

¹ The following applies to all land under Treasury control subject to purchase: Registered Treasury land is purchased; unregistered Treasury land is used without compensation.

