

## BTC pipeline's poverty reduction credentials rubbished by new report

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Tbilisi, Georgia – A new report out today reveals the real impacts of BP's Baku-Tbilisi-Ceyhan (BTC) pipeline and catalogues the Georgian people's unfulfilled hopes of increased welfare and development arising from BP's billion dollar project, hopes which have been fuelled by project backers the World Bank and the European Bank for Reconstruction and Development (EBRD).

["BTC Pipeline – An IFI Recipe for Increasing Poverty"](#),

released ahead of tomorrow's Baku-Tbilisi-Ceyhan (BTC) pipeline 'opening' ceremony in Tbilisi, details the infringements detected in the construction phase of the Georgian section of the BTC pipeline and the problems – many of them with long-term implications – faced by Georgians during the implementation of the project.



Photo by F. Daburon and P.M.Coupry

These infringements include:

- The BTC project's violation of the State Environmental Permit, including problems with risk assessment
- Widespread damage, including to cultural heritage sites, during the construction of road infrastructure, communication and houses, as well as losses of income in a number of areas
- The failure of the BTC project's grievance mechanism.

Based on field research carried out by CEE Bankwatch Network and Green Alternative, with the support of local groups in different regions of Georgia, the report also criticises the International Finance Corporation, the World Bank's private lending arm, and the EBRD for their failure to ensure the implementation of the "highest international standards" that were widely trailed by each when they agreed to support the BTC project with separate USD 250 million loans in November 2003.

Kety Gujaraidze, of Green Alternative, said, "BP is about to celebrate the pipeline opening in Tbilisi by throwing various parties and laying on concerts with famous western bands and artists. Invited dignitaries and officials of the banks may not be planning to go and see for themselves how the pipeline construction is affecting the lives of ordinary people, but they need to read our report. Its findings are damning."

Manana Kochladze, CEE Bankwatch Network's Caucasus Coordinator, commented, "The BTC project is causing immense problems for those communities unfortunate enough to be living next to the pipeline.

In a country like Georgia, where the judicial system simply does not work and access to justice remains a dream, thousands of people now realise that the major international banks' talk of increased welfare and development might as well be language from another planet. The World Bank and EBRD can live up to their development mandates by using their influence to suspend operations until the key environmental and social risks that continue to dog the project are addressed."

**To see the report, contact:**

Greig Aitken

[press at bankwatch.org](http://press.at.bankwatch.org)

**For more information, contact:**

Manana Kochladze

CEE Bankwatch Network

Tel: +995 32 22 38 74