

Chapter 1 Introduction



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1 INTRODUCTION

1.1 General

This environmental and social impact assessment (ESIA) addresses the potential impacts, mitigations and management of environmental and social issues associated with the Western Route Export Pipeline (WREP) Sectional Replacement (SR) Project. This document has been prepared in support of a permit application. The activities proposed in this ESIA are subject to approval by the competent authorities.

The WREP-SR Project is governed by the requirements outlined in the WREP Host Government Agreement (HGA) between (the Government of Georgia and twelve oil companies including BP Exploration (Caspian Sea) Limited (BP). This ESIA has been produced in line with the requirements of the WREP HGA (specifically EC Directive 2014/52/EU¹). It has also been carried out in line with the requirements of the Law of Georgia on Environmental Impact Permit (14 December 2007) and the Georgian Regulation on Environmental Impact Assessment (2011), to the extent that these do not conflict with the HGA.

The WREP-SR Project ESIA has been undertaken by the international consulting company, RSK Environment Limited (RSK) which specialises in environmental and socio-economic assessment, together with specialist Georgian partners, Dzelkva and ACT which are established and experienced consultancy practices in environmental and socio-economic assessment, respectively.

1.2 Background to the WREP

In March 1996, an agreement was signed between the Government of Georgia and 12 oil companies to transport crude oil from the Caspian Sea in Azerbaijan to the Black Sea in Georgia. Most of these companies are the shareholder companies of the Azerbaijan International Operating Company (AIOC), which is the joint operating company under the Agreement on Joint Development and Production Sharing for the Azeri and Chirag Fields and the Deep Water Portion of the Gunashli Field in the Azerbaijan Sector of the Caspian Sea, dated 20 September 1994 (ACG PSA). Under the ACG PSA, the contractor parties, which are the shareholder companies in AIOC, have been granted the sole and exclusive right to conduct petroleum operations in the contract comprising the Azeri and Chirag and the deep water portion of the Gunashli contract area in the Azerbaijan Sector of the Caspian Sea.

The HGA provides for the establishment of an operating company in Georgia, which was later formed by the oil companies as the Georgian Pipeline Company (GPC). This agreement marked the commencement of the refurbishment and commissioning project for an existing crude oil export pipeline from the Caspian Sea in Azerbaijan to the Black Sea in Georgia.

An EIA of the WREP Refurbishment and Construction Project was undertaken in 1996, and an environmental permit was issued in 1997 by the Georgian Ministry of Environment and Natural Resources Protection (MENRP). Construction proceeded in 1997–1998 and the pipeline has been operational since 1999.

¹ The PCOA (an appendix to the HGA) references EC Directive 85/337/EC which has been amended several times and is now consolidated as 2014/52/EU.

The WREP exports oil from the Sangachal Terminal on the Azerbaijani coast of the Caspian Sea to the Supsa Terminal on the Georgian Black Sea coast. The Georgian section of the WREP is approximately 373km in length, from the Azerbaijan border to the Black Sea loading terminal at Supsa. From the border, the pipeline traverses north of Tbilisi in a north-westerly direction towards the Supsa terminal. The WREP system in Georgia comprises three pump stations (PS11, PS13 and PS15), two pressure reduction stations (PRS1 PRS2), three check valves, twenty-eight block valves and the Supsa Terminal. Oil is transferred from the Supsa Terminal to offshore loading facilities by another pipeline, which is referred to in this ESIA as the “export pipeline”.

The location of WREP is shown in Figure 1-1.

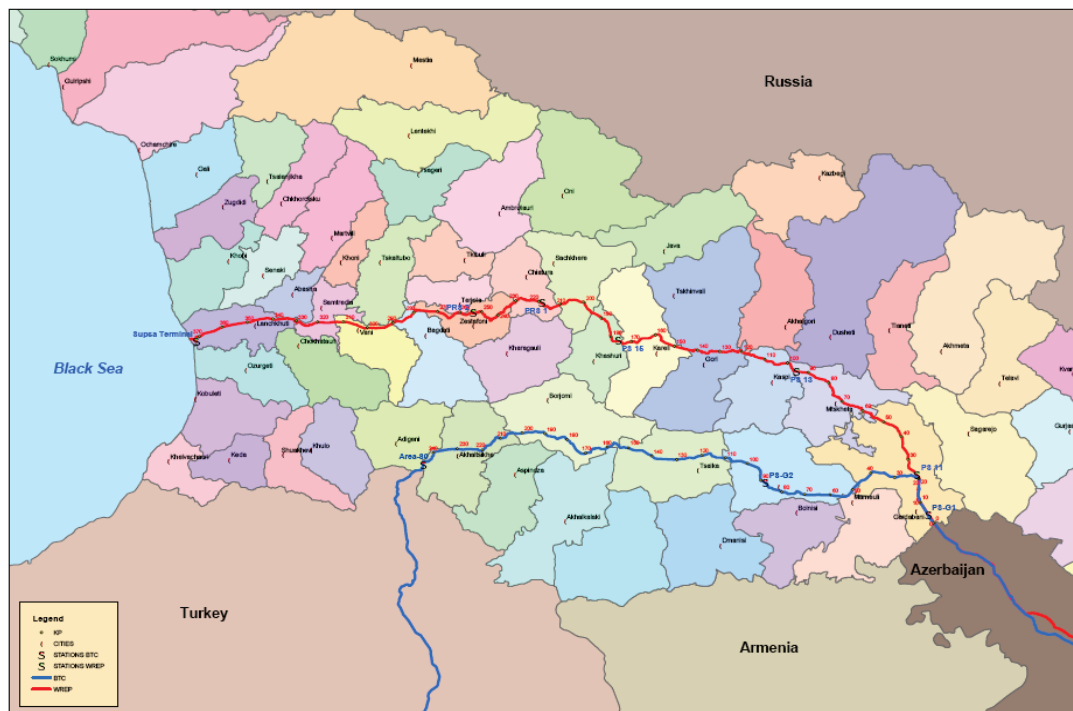


Figure 1-1: Geographical Context of WREP (red) and BTC/SCP Pipeline (blue)

1.3 Rationale for WREP-SR Project

The WREP–SR Project is being undertaken to ensure continued safe operation of WREP. The Project involves the replacement and re-routing of discrete sections of pipeline located over a 330km distance along WREP between PS11 and Supsa terminal. There are two primary drivers for the work:

- **Landslides:** Georgia is a dynamic environment subject to constant geomorphological change brought about by geological and climatic influences. Three re-route sections have been identified to address slope stability issues.
- **River crossings:** Similarly, rivers represent a dynamic environment. Owing to bed and bank scouring both the WREP and the export line crossings of the river Supsa have been identified for replacement.

The WREP-SR sections are shown in Figure 1-2 and described in Chapter 5 Project Description.



Figure 1-2: WREP-SR Sections

1.4 WREP Operator: GPC and BP Relationship

GPC was formed in 1996, by the same companies that were the shareholder companies of AIOC at that time, in order to operate WREP in Georgia. The current GPC shareholders are the affiliates of the following companies: BP, Chevron, ExxonMobil, Statoil, Inpex, TPAO, Itochu and ONGC Videsh Limited. Subsequently, BP has taken over single operatorship of WREP, although rights and privileges under the HGA are secured for WREP under the GPC name.

This ESIA has therefore been written on behalf of GPC as the operating company for WREP. However, references will be made to BP and BP policies and practices where relevant since BP holds the operatorship.

1.5 ESIA Process

1.5.1 Objectives

The overall objective of the ESIA process for the WREP-SR Project is to ensure that any adverse environmental or socio-economic impacts arising from Project activities are identified and, where possible, eliminated or minimised through early recognition, and incorporated as mitigations into front-end engineering design, construction and operation. The purpose of the ESIA process is to:

- Identify and assess the anticipated negative and positive environmental and social impacts of the Project
- Use the results of that assessment to inform option selection and subsequent project design
- Determine mitigation measures designed to avoid, minimise or mitigate negative environmental or social impacts and optimise potential positive impacts
- Provide a baseline against which actual Project impacts will be assessed and adjusted as relevant
- Consult with and obtain feedback from Project stakeholders.

Within this document, potential environmental and social effects resulting from the WREP-SR activities have been assessed against:

- Environmental regulations, standards and guidelines applicable to construction of the WREP-SR Project
- Existing environmental, cultural heritage and socio-economic conditions
- Issues and concerns raised by Project stakeholders.

1.5.2 Scope

This ESIA covers all the components of the WREP-SR Project that are located within the territorial boundaries of the Republic of Georgia. This comprises re-routing of some pipeline sections (numbered RP-001a, RR-001 and RR-004a), replacement of two crossings of the river Supsa, and temporary works in support of the main Project activities.

The geographical scope of the ESIA has taken into account the:

- Physical extent of the proposed works to be undertaken along the pipeline route, river crossings and all temporary works in support of the main Project activities
- Nature of the baseline environment and the manner in which impacts are considered likely to be propagated beyond the site boundary.

The temporal scope of the ESIA covers design, construction, commissioning, removal from service, and operational phases of the Project. The temporal scope also takes into account the time of day during which works are expected to be undertaken.

1.5.3 Stages in the ESIA Process

The ESIA process that has been adopted for the WREP-SR Project is described in detail in Chapter 3 Approach and Methodology. In summary, it comprises a number of ongoing and overlapping activities as follows:

- Screening: This has involved the early identification of environmental and social impacts to develop an early understanding of the key environmental and social sensitivities and the potential Project impacts on those sensitivities
- Defining the Project: This has involved the evaluation of alternatives with regard to the Project concept, pipeline routing options, technical approaches and mitigation options
- Scoping: This activity has continued throughout the ESIA process and has involved a number of discrete elements including stakeholder identification and preliminary consultation, the development of an environmental and socio-economic context for the Project and preliminary identification of potential impacts
- Consultation: This has included both the distribution of Project information to key stakeholders (e.g. local communities and authorities, non-governmental organisations (NGOs), and the press at both the local and national level) and further identification of potential impacts through face-to-face meetings. It is recognised that consultation and dialogue is an important activity which will continue throughout construction and operation.
- Baseline data collection: This involved the evaluation of environmental and socio-economic baseline conditions and attitudes of stakeholders and local residents towards the Project through review of existing data and undertaking of environmental and social surveys
- Assessment: This has involved the identification and subsequent assessment of all potential construction and operational impacts and an evaluation of their significance. It has included the investigation and development of measures to mitigate potential negative impacts and enhance benefits associated with the proposed development
- Disclosure: Public disclosure was initiated via the publication of a draft ESIA and a range of other disclosure materials, including an environmental and social baseline report (ESBR), technical summary and non-technical summary, via public facilities, local administrative offices and the BP Caspian and BP Georgia websites. Following completion of the disclosure period, meetings were arranged with a wide range of stakeholders. The aim of the disclosure process was twofold:
 - To provide stakeholders with information necessary to facilitate a full understanding of the environmental and social impacts of the proposed Project and the associated mitigation measures that will be implemented.
 - To encourage stakeholder and public discussion and invite comments on the proposed mitigation measures.
- Submission for approval: The comments received during the disclosure process were reviewed and where appropriate, incorporated into this Final ESIA report which will be submitted to the regulatory authorities for approval. A record of amendments made to the draft ESIA to create the Final ESIA is provided in Appendix C3.

1.6 Structure of this ESIA

The ESIA document is presented as 16 chapters and 6 appendices (A-F) as outlined in Table 1-1. It:

- Provides a description of the proposed WREP-SR Project
- Details the environmental and social baseline conditions on the replacement and re-route corridors
- Identifies and assesses potential impacts taking into consideration baseline conditions in the area of the Project
- Specifies mitigation measures in line with the requirements and standards of the WREP HGA
- Assesses the potential significance of residual impacts
- Outlines environmental and social management and monitoring that will be undertaken during the construction of the pipeline (operations will be in line with existing WREP operations management systems).

Table 1-1: Structure of the ESIA

Non-Technical Summary	A summary of the ESIA report using non-technical language
Technical Summary	A summary of the proposed works
Chapter 1 Introduction	A general introduction to the WREP-SR Project in the context of the WREP development, a brief outline of previous WREP EIA addenda, the objectives of the assessment, and the ESIA report structure
Chapter 2 Glossary	A glossary of terms, Latin names, units and abbreviations used
Chapter 3 Approach and Methodology	A description of the methods used to conduct the impact assessment
Chapter 4 Project Development and Evaluation of Alternatives	A description of the alternative options assessed for the WREP-SR Project
Chapter 5 Project Description	A detailed description of the WREP-SR Project
Chapter 6 Policy, Legal and Administrative Framework	A summary of relevant environmental and social standards and guidelines and BP HSE policy, environmental and social standards and expectations
Chapter 7 Environmental Baseline	A description of the physical and biological environment and cultural heritage in the vicinity of the WREP-SR Project
Chapter 8 Socio-economic Baseline	A description of the socio-economic conditions in the vicinity of the WREP-SR Project
Chapter 9 Consultation Process	A description of the consultation process carried out to capture information for the WREP-SR Project
Chapter 10 Environmental and Social Impacts and Mitigations (Planned Activities)	An assessment of the potential environmental and socio-economic impacts associated with planned events of the WREP-SR Project.
Chapter 11 Cumulative and Transboundary Impacts	An assessment of the potential cumulative impacts arising from the interaction between the WREP-SR Project and other projects in the area, and assessment of transboundary impacts arising from the WREP-SR Project

Chapter 12 Hazard Analysis and Risk Assessment (Unplanned Events)	An assessment of the potential environmental and socio-economic impacts associated with unplanned events of the WREP-SR Project
Chapter 13 Management and Implementation	A description of the environmental and socio-economic management system and plans and proposed monitoring measures
Chapter 14 Overall Project Assessment	A high level summary of residual impacts associated with the WREP-SR Project
Chapter 15 References	A list of all of the literature sources referred to
Chapter 16 ESIA Contributors	A list of the main organisations who have contributed to production of the ESIA
Appendix A Constraint Maps	Maps of environmental, cultural heritage and social constraints and hydrogeological conditions along the replaced pipeline sections and access roads
Appendix B Impact Assessment Tables	Tables of generic and location-specific impacts and mitigation measures
Appendix C Public Consultation and Disclosure	C1 – Public Consultation and Disclosure Plan (PCDP) C2 – Response to comments during disclosure C3 – Draft ESIA amendments log
Appendix D Construction Phase Environmental Monitoring Plan	Overarching construction-phase Environmental Monitoring Plan
Appendix E Commitments Register	The definitive register of all commitments made in the ESIA
Appendix F Project Environmental Standards	A description of Project Environmental Standards, against which Project performance will be monitored

The ESIA process has drawn upon a wide range of published and unpublished sources and full referencing of these sources is provided in Chapter 15. The ESIA has synthesised and collated all relevant information, such that the ESIA Report and its supporting Appendices are presented as a comprehensive stand-alone set of documents. There is, however, an Environmental and Social Baseline Report that may be of interest to parties who wish to examine specific issues in greater detail. This baseline report is available for view by prior appointment at the following address:

BP Georgia
24 Sulkhan Tsintsadze Street
(formerly 38 Saburtalo Street)
0160, Tbilisi.

This ESIA is presented in the English and Georgian languages. Effort has been made to ensure that the Georgian translation of this ESIA is an accurate and a true reflection of the intent and meaning of its English original. In the event of any conflict or disagreement in interpretation of any provisions between these different language versions, or any subsequent translations, the text in question shall be subject to further review and agreement between GPC and the Ministry of Environment and Natural Resources Protection (MENRP).

The ESIA and non-technical summary are available on www.bpgeorgia.ge.

1.7 Previous WREP EIA Addenda and Additional Studies

Considerable environmental and social assessment has been carried out by BP for the previous phases of development of the WREP Project and this ESIA has referred back to these earlier studies where appropriate. Where deemed necessary, additional baseline studies have been undertaken to augment this knowledge base for the assessment of the WREP-SR Project. In this way, the assessment has focussed on the key issues with respect to the potential impacts of the Project. Previous WREP EIA addenda submitted to MENRP for approval are as follows:

- WREP EIA Addendum Volume I (1997) – GPC Responses to MENRP Review of WREP EIA
- WREP EIA Addendum Volume II (1997) – River Protection Rationale (Report and Appendices)
- WREP EIA Addendum Volume III (1997) – River Protection Rationale (Analysis Details and Results)
- WREP EIA Addendum Volume IV (2000) – De Oiling of the Unused Existing Pipeline Facilities
- WREP EIA Addendum Volume V (2001) – Proposed WREP Throughput Increase to 140 MBOD
- WREP EIA Addendum Volume VI (2002) – Proposed WREP Throughput Increase to 155 MBOD
- WREP EIA Addendum (2007) – Zestaphoni Early Works.

These reports contain detailed information that has been used to inform this ESIA.