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HEADLINE: Georgia signs off on BTC pipeline ecology after marathon talks

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BODY:

Georgia's government Monday gave the go-ahead for construction to begin on the **Baku-Tbilisi-Ceyhan** (BTC) oil pipeline after accepting assurances from oil major BP, the project's operator, that the pipeline did not pose a threat to the country's ecology.

The agreement came at the end of four days of crisis talks between officials and BP executives in Georgia's capital, Tbilisi, and broke a deadlock which had threatened to **derail** the 2.95-billion-dollar (-euro) US-backed pipeline.

The stumbling block was concern from Georgia, backed up by Western environmental groups, that a leak from the pipeline would devastate Georgia's Borjomi valley, a national park and source of acclaimed mineral water.

"Construction work on the **Baku-Tbilisi-Ceyhan** oil pipeline will go ahead as planned in the first quarter of 2003," Georgian President **Eduard Shevardnadze** said as he announced the deal. "The operator has agreed to increase ecological safety in the Borjomi valley. We have not taken any steps to put the Borjomi valley in danger. I, as president, take on myself full responsibility for the safety of this project."

When it comes on stream in 2005 the pipeline will pump up to one million barrels of crude a day from Azerbaijan, on the Caspian Sea, through Georgia, to the Turkish Mediterranean port of Ceyhan.

The breakthrough in negotiations came after Shevardnadze received telephone calls Sunday night from Azerbaijan's President Heidar Aliyev and Turkish President Ahmet Necdet Sezer urging him not to block the project.

A spokeswoman for BP confirmed that Georgian Ecology Minister Nino Chkhobadze had issued the pipeline consortium an environmental permit which will allow it to start work on the Georgian section.

"BP is confident that the agreed route represents the best option for BTC and Georgia from an environmental, social, safety, security and construction perspective," she said in Azerbaijan's capital, Baku.

"The design is fully in accordance with international standards and will be operated in a manner to minimise risks to the environment."

She said the pipeline's route was unchanged but negotiations with Georgia had led to additional environmental safeguards for the 20-kilometre (12-mile) section of pipeline which

passed near the Borjomi valley.

These included extra cut-off valves, electronic sensors which detect any tampering with the pipeline and a fully-equipped "spill response" team which will be permanently stationed in the area.

But the extra safeguards will not increase the overall cost of the project, said the spokeswoman. "All mitigation measures... were already included in our budget so there will be no impact on the economics of our project," she said.

Washington has given its firm backing to the project, which will allow oil from the Caspian Sea -- thought to hold the world's third largest oil and gas reserves -- to reach world markets without having to go through Russia.

Ecology ministries in Azerbaijan and Turkey had already given their approval weeks ago and BP had warned construction work would be thrown off schedule unless Georgia issued the permit by the end of November, adding to the pressure on Georgia's government to fall into line.

Despite assurances that Georgia's ecology had not been compromised, Shevardnadze is now likely to face a backlash from environmentalists at home and abroad accusing him of caving in to big business.

Georgian environmental campaigner Manana Kochladze said the group she heads will now go to the courts to challenge the legality of the Georgian government's decision on the pipeline.

"The government's decision has nothing to do with ecology. It is purely a political decision and an extremely short-sighted one at that," she said.

The consortium building the pipeline comprises BP, Azeri state oil company SOCAR, Unocal, Statoil, TPAO, TotalFinaElf, Itochu, Inpex, Delta Hess and ConocoPhillips.

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