

2018 JUNE



Trans Anatolian Natural Gas Pipeline Project (TANAP)

Resettlement Action Plan

Third External Monitoring and Evaluation Report – Summary



EXECUTIVE SUMMARY

1. This report presents the findings of the third semi-annual external monitoring and evaluation exercise conducted by the External Monitoring Panel (the Panel) between 5-19 April 2018. The objective of the third external monitoring is to follow-up with the progress since the last visit of the Panel, assess the Project's resettlement performance and compliance with national laws and the World Bank Operational Policy 4.12 as well as the international best practice.

2. During the third visit of the Panel, the land exit process was nearing completion in Lots 1, 2 and 3, and the construction activities were ongoing in Lot 4. The construction works of the Marmara Sea Crossing was completed in February 2018. Of the 28,341 total private and public parcels, 20,147 (71%) have been registered in the name of the Project. The land entry along the pipeline (RoW) and for all AGIs had been completed. The land reinstatement was advanced in Lots 1, 2 and 3. The land exit process was expected to be completed in June 2018 for Lots 2 and 3 and in September 2018 for Lot 1.

3. The methodology of third semi-annual external monitoring and evaluation exercise included:
 - Desktop review of relevant documentation;
 - Establishment of village selection criteria;
 - Meetings at TANAP headquarter in Ankara (with LAC, SOC, ENV, SEIP teams);
 - Field study including interviews with muhtars and focus group discussions with Project affected people in selected villages
 - Presentation and discussion of key findings with TANAP Social and LAC Teams and the QHSSE Director in Ankara upon completion of the fieldwork.

4. The Panel particularly requested to visit villages representing conditions that could not be investigated during the second visit. Meetings were conducted in 11 villages selected on the basis of pre-determined criteria including:
 - Villages investigated in the report of the valuation experts from Yildiz Technical University (YTU)
 - Villages where there were lands rented by the CCs
 - Villages that were eligible for livestock, agriculture and other types of livelihood restoration assistance packages
 - Villages where there were people who received transitional allowance
 - Villages where there were vulnerable people and/or female land owners
 - Villages where there had been recent or long-standing grievances
 - Villages where land consolidation was ongoing
 - Villages where land exit was ongoing and completed

5. The key findings of the second external monitoring exercise are presented in the Table below.

Topic	Key Findings from Third Panel Visit	Key Recommendations from Third Panel Visit
<p>RAP Management</p>	<p>Staffing: Since the second Panel visit in 2018, TANAP has hired a full-time HQ Social Impact Specialist. CC social staff in Lots 2 and 3 are currently scheduled to all leave by the end of June 2018. In Lot 1 they are scheduled to leave by end of September 2018. The process of handover from CC social personnel to TANAP is ongoing.</p> <p>Transition: The operations phase will commence in June 2018 in relation to Lots 1 to 3. Lot 4 construction will continue till December 2019. A significant number of tasks will continue during the operations phase, including livelihoods restoration activities relating to AGIs'. The transition from construction to operations requires careful consideration of how remaining and future land acquisition and resettlement issues are dealt with. This will not only require a transition from the CCs to TANAP i.e. it now appears that a separate legal entity from TANAP will be operating the pipeline but that the TANAP RAP team will continue to deal with some, but not all, land acquisition and resettlement related issues. (The exact future structure and related details are still under discussion within the Project). TANAP is in the process of considering how these issues will be addressed during and after the transition to the operations phase.</p>	<p>A Transition Plan needs to be completed and implemented in a timely manner for the transition from construction to operations in each Lot and Spread and at HQ. TANAP should prepare a draft of the Transition Plan as quickly as possible to help identify critical issues and propose a way forward to enable discussion with operating entity personnel (once these people are appointed).</p>
<p>Land Acquisition</p>	<p>Independent Expert Valuation Assessment: Yildiz University undertook a desktop study and completed its independent expert valuation assessment report.</p> <p>There are some situations in the 60 cases investigated by Yildiz University where its report is critical about how TANAP valuers did valuations. This raises the question whether similar issues could have led to significantly lower valuations elsewhere along the pipeline. Given this, the Panel cannot say definitely that everyone has been paid compensation at full replacement cost. However, based on discussions with TANAP, it appears that at this stage of the Project there is no practical way to fully investigate and identify if any other such instances may exist, without a comprehensive desktop and field investigation along the whole pipeline. Furthermore, there is a serious concern that, even if such a detailed investigation was possible, attempting to address any significant discrepancies through additional payments to certain people would cause more problems than it solves e.g. community confusion, jealousy and unwarranted claims. During discussions with the Panel, TANAP was insistent that it has generally paid people compensation that constitutes full replacement cost.</p>	<p>Given the outcome of the Panel's discussions with Yildiz University and TANAP, the Panel has no further recommendations on this topic.</p>

Topic	Key Findings from Third Panel Visit	Key Recommendations from Third Panel Visit
Land Reinstatement and Land Exit	<p>In Lot 1 during the third visit, a number of concerns were raised in different communities related to alleged poor quality of some reinstatement and delays in completion of promised works. Specific issues raised included damage to irrigation systems, rocks in fields after topsoil has been placed that is inhibiting ploughing, and inhibited road access, all of which are impacting on the ability of people to plant crops in a timely manner during the current planting season. TANAP advised the Panel that:</p> <ul style="list-style-type: none"> - There are a number of instances where people are planting even though the 3 year ROW compensation period has not yet expired. The Project’s position is that it will not object to this unless it inhibits project activities. - It is taking all necessary measures to expedite CC reinstatement activities particularly in Lot 1. These include TANAP personnel regularly meeting with CCs’ and Muhtars, and ensuring that each CC has an up-to-date list of reinstatement commitments. 	<p>None.</p>
	<p>Additional payments – TANAP is currently investigating to what extent there may still be outstanding land reinstatement after the end of the 3 year pipeline ROW and 1 year unviable land compensation payment periods, and hence whether additional payments may be necessary that would reflect the period of gap or loss.</p>	<p>The report arising from this investigation should be prepared for management consideration as quickly as possible, particularly in relation to the first 100 kms of Lot 1 that have been delivered.</p>
Livelihood Restoration	<p>AGIs - As per the discussions during of the Panel’s second visit, the database of affected people, whose livelihoods might have been affected due to their land loss for AGIs, were established and eligible people were identified for the livelihood support packages. Interviews with people suggest that they were pleased the packages offered. Reportedly, eligible people will be informed and implementations will start before end of June 2018. A procedure remains to be prepared to clarify the implementation of LRP.</p> <p>The LRP for AGIs (TANAP, 2017c) identified three communities that are significantly affected from the AGIs in Ardahan and where animal husbandry is an important source of livelihood. Reportedly, livestock support packages will be implemented in these three communities to support animal breeding. The packages will be identified in consultation with stakeholders in June 2018 and a road map will be established.</p>	<p>Prepare the LRP implementation procedure.</p>
	<p>Pipeline - In Lot 4, one of the villages claimed that their irrigation costs would increase due to the impact of pipeline constructions. TANAP had therefore engaged</p>	<p>Compliant subject to effective implementation and monitoring.</p>

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	<p>with the irrigation association to discuss the potential increases in irrigation system installation costs and possible solutions.</p> <p>Marmara Sea Crossing - Implementation of gasoline support program has been completed. The findings of the first round of internal monitoring is reported in Internal Monitoring Report Q5 (TANAP, 2018b), which is generally positive and suggests that the fuel support was used to pay for the extra travel.</p>	None.
Vulnerable People	As per the recommendations of the second Panel visit, a database of vulnerable people has been established for AGIs. Vulnerable people are engaged with and offered a transitional cash allowance (TCA) and livelihood restoration assistance packages (LRAP). The disabled people, elderly and women land users interviewed by the Panel were satisfied with the engagement levels. A complete database of vulnerable people does not exist for pipeline.	Considering the stage of the Project, the Panel recommends that a final check is made with the muhtars of each village during or after the land exit process to understand whether there are any vulnerable people that might have been significantly affected by the pipeline, transmission lines or roads.
Gender Integration	The database of vulnerable people affected by the AGIs identifies the female land users/owners. The female land users had been engaged with and considered for the transitional cash allowance and livelihood assistance packages. Of the 3 female land owners/users met by the Panel, two had been considered for the transitional cash allowance and the other was considered for the livelihood support. All women knew about the packages.	During the final check for the pipeline, vulnerable people along the pipeline, female land users should also be asked by muhtars as a final check.
Benefit Sharing	<p>In Lots 1, 2 and 3 CC demobilization has started. In Lot 4, employment by the CC continues. Despite various difficulties (e.g. aging communities, distance of villages to the camp sites), it is understood that the CCs continue to make efforts to provide employment to local people.</p> <p>Evaluation process for the 1st Call Project Applicants (11 provinces, east of Ankara) under Direct Grant Funding Mechanism of SEIP has been completed in February 2018. Of the 12 villages that are considered as significantly affected by AGIs to date, 2 have received allocations for communal socioeconomic development projects and 3 have received support for drinking water supply project.</p> <p>As reported in the Internal Monitoring Report Q5, the CCs have been providing machinery support, pipes and waste wood to the villagers.</p>	<p>As per the requirements of OP 4.12, the Project should ensure that the 12 significantly AGI affected villages benefit from the project (prioritizing those that have not benefited from the SEIP projects). It is advisable that an assessment is performed to understand the needs of the villages and a small-scale development project is developed for each.</p> <p>Data should be extracted to understand the scale of support provided to local communities by the CCs (e.g. how many villages have benefited from machinery, pipe and/or waste wood).</p>
Cultural Heritage	A procedure is in place in order to identify items of archaeological interest or graves during the construction process.	None.

Topic	Key Findings from Third Panel Visit	Key Recommendations from Third Panel Visit
Cumulative Impacts	<p>Cumulative Impacts of AGIs and Pipeline: Since the second trip of the Panel, the Project Report on Evaluation of Multiple Impacts of Installations was finalized and issued. The Project's approach is that there will be a second land compensation payment for each multiple pipelines-affected parcel in relation to amount of area impacted both by Project and existing pipelines compared to total land area. The payment process for the 826 parcels determined as eligible for second payments has been initiated (TANAP 2018a).</p> <p>Transmission Line Cumulative Impacts: In Q6, a cumulative impact assessment study on transmission lines will be completed by CINAR.</p>	<p>TANAP is to be commended for having developed an approach for dealing with this challenging issue.</p>
Stakeholder Engagement	<p>SEP - The SEP Annex 2 (RAP-Specific Stakeholder Engagement Implementation Guideline) is being updated to cover 2018.</p> <p>Information Disclosure - There continues to be extensive information disclosure to affected communities, including measures to address the recommendations made by the Panel during its first and second visits.</p> <p>Consultations - There continues to be extensive engagement with affected communities, including measures to address the recommendations made by the Panel during its first and second visits.</p>	<p>SEP - A further update of the SEP Annex 2 (RAP-Specific Stakeholder Engagement Implementation Guideline) to cover 2019 should be undertaken in late 2018 (linked to the Transition Plan discussed earlier). The existing Annex of SEP for RAP-related SE Implementation should be updated or revised for the operations entity.</p> <p>Information Disclosure - Measures will need to be taken to advise affected communities about planned organizational changes related to the transition from the construction phase to the operations phase e.g. who they are to engage with in future and how grievances will be managed.</p>
Grievance Redress	<p>Lot 1 grievances - All the villages visited in Lot 1 had grievances some of which had not been closed for a while (i.e. more than 30 days) mostly relating to construction related damages and reinstatement. The Panel is concerned that unless some issues (i.e. damaged irrigation pipes) are addressed in a more timely manner then this may result in some people missing the planting season and necessitate further compensation in some instances. The Panel identified 3 unregistered grievances in this Lot.</p> <p>Lot 4 grievances - In Lot 4 the villagers reported that their grievances were attended in a timely manner. No unregistered case was identified by the Panel.</p>	<p>Lot 1 grievances - TANAP should continue to correspond with the CC of Lot 1 to ensure that all grievances are registered and resolved in a timely manner (including those that relate to their sub-contractors).</p> <p>In order to prevent the risk of livelihood losses beyond the compensated period, a targeted assessment should be made for Lot 1 to identify the land exit and reinstatement related grievances that may cause economic losses (considering the plantation seasons).</p>

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	<p>Appeals Committee - 23 cases were elevated to the Appeals Committee. However, 13 remained unresolved at the time of the Panel's third site visit, mainly because the CCs did not want to follow the AC's recommendations. It is understood that some of the recommendations may impact more than one case (e.g. unit crop payments) and therefore the CCs may not be willing to follow the recommendations.</p> <p>Quality Monitoring of GRM has started. As the sample size was very small and the cases had long been closed, it was not possible to reach to insights about the GRM using the results.</p>	<p>Identified high risk cases should be closely monitored.</p> <p>Appeals Committee - TANAP should ask for a written justification for the cases where the CCs do not accept to comply with the AC's decisions. Upon review of these justifications, further actions should be determined as necessary.</p> <p>Quality Monitoring of GRM - As per the final discussions with the Social Team, for a more effective monitoring of GRM:</p> <ul style="list-style-type: none"> - A short interview will be conducted with the complainant within one week after each case is closed. - Reasons for "closing a grievance without agreement" will be entered in the system and monitored as part of the Internal Monitoring.

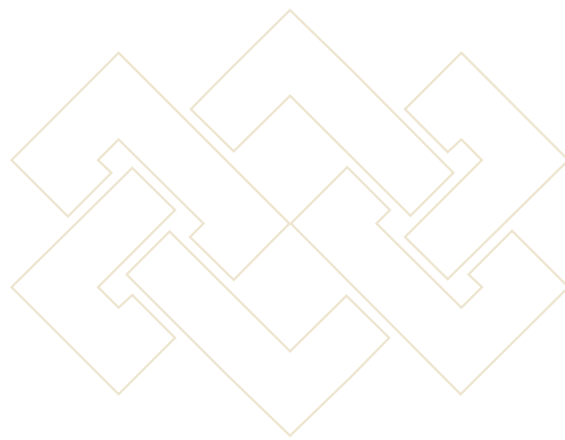
6. The Panel acknowledges that significant progress continues to be made by the Project.

7. However, there are some areas where further works are necessary to avoid the social risks that may arise during/after the land exit and ensure that the Project is fully compliant with WB and EBRD standards, including:

- Updating SEP Annex-2 for operations phase
- Updating RAP Fund Management Procedure to include implementation details
- Developing an implementation procedure for livelihood restoration assistance packages
- Final check of availability of any vulnerability along the pipeline affected settlements
- Improving the quality monitoring of closed grievances
- Assessment of reinstatement grievances that may cause livelihood losses (particularly in Lot 1), and ensuring that they are addressed in a timely manner.
- Allocation of sufficient budget to provide a benefit sharing mechanism for those communities significantly affected due to AGIs (that have not already benefited from SEIP at a communal level). This will also serve as a social risk management mechanism for the Project as it transitions to operations.
- Additional payments - It is important that the ongoing TANAP study to determine if any additional payments may be necessary due to outstanding land reinstatement after the end of the 3-year pipeline ROW and 1 year unviable land compensation payment periods, is completed as soon as possible.

8. Considering the stage the Project has reached, **development of a Transition Plan**, as previously discussed, is an important upcoming step.

9. **Significant lessons have been learnt** during the TANAP land access and resettlement process. Some of these relate to things that could be done differently or earlier, whilst there are instances of good practices. These can serve as very useful information for future pipeline projects in Turkey and international. It is recommended that the Project undertakes a process of recording these lessons and good practices for use by future projects.



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